

**FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
MAY, LOUISIANA**

Notes to the Financial Statements (Continued)

where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only a governmental fund type (General Fund). The General Fund is the general operating fund of the district and is used to account for all of its financial activities.

C. GENERAL FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets. Approximately 95 per cent of general fixed assets are valued at actual historical cost while the remaining 5 per cent are valued at estimated cost, based on the actual historical cost of like items. Donated fixed assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized.

The account group is not a "fund". It is concerned only with the measurement of financial position and does not involve measurement of results of operations. The district has no long-term debt at December 31, 1996.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

FIRE PROTECTION DISTRICT NO. 1
 BEARDS 3 AND 4 OF SABINE PARISH
 Many, Louisiana
 Notes to the Financial Statements (Continued)

3. CHANGES IN GENERAL FIXED ASSETS

The following presents changes in general fixed assets for the two years ended December 31, 1996:

	<u>Balance at January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31,</u>
1995:				
Land and buildings	\$381,630			\$381,630
Fire fighting equipment	778,592	\$80,390		778,592
Total	<u>\$1,179,832</u>	<u>\$80,390</u>	<u>NCONE</u>	<u>\$1,169,182</u>
1996:				
Land buildings	\$381,630			\$381,630
Fire fighting equipment	778,592	\$84,864	\$211,180	821,316
Total	<u>\$1,160,152</u>	<u>\$84,864</u>	<u>\$211,180</u>	<u>\$1,033,836</u>

4. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1996, nor is it aware of any unasserted claims.

5. PENSION SYSTEM

Part-time employees of the district are not eligible for participation in the firefighters retirement system and, consequently, participate in the social security system. Employees contribute 7.65% of their total salaries to social security (FICA and Medicare) which is matched by employer contributions. For the years ended December 31, 1996 and 1995, employer contributions were \$1,194 and \$1,194 respectively. Total salaries paid for 1996 and 1995, were \$15,600 and \$15,600, respectively.

SUPPLEMENTAL INFORMATION SCHEDULE

FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Morg, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Two Years Ended December 31, 1998

COMPENSATION PAID COMMISSIONERS

The schedule of compensation paid to commissioners is prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:1489, the commissioners receive \$20 per board meeting attended, not to exceed two meetings in any one calendar month.

FIRE PROTECTION DISTRICT NO. 1
 WARDS 3 AND 4 OF SABINE PARISH
 Bayou, Louisiana

Schedule of Compensation Paid Commissioners
 For the Two Years Ended December 31, 1996

	<u>1996</u>	<u>1995</u>
M. G. Anthony	\$300	\$100
David Davis	360	330
Daniel Marasco	270	330
Elizabeth Pickett, Chairman	240	300
J. M. Slay	<u>270</u>	<u>210</u>
Total	<u>\$1,440</u>	<u>\$1,300</u>

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws and regulations and on the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Bayou, Louisiana
Notes to the Financial Statements (Continued)

Bank balances	<u>\$202,052</u>
Federal deposit insurance	\$194,256
Pledged securities (uncollateralized)	<u>76,586</u>
Total	<u>\$372,894</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the fire district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification G28, 106; however, Louisiana Revised Statute 39:1219 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the fire district that the fiscal agent bank has failed to pay deposited funds upon demand.

G. TOTAL COLUMN ON COMBINED BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAX

On November 23, 1987, voters of the district approved a 5 mill ad valorem tax to be used for operations of the district. The tax will expire with the 1999 tax roll. The district levied 5.16 mills in 1996 and in 1995.

The difference between authorized and levied millages is the result of reassessments of taxable property in the district, as required by Article VII, Section 18, of the Louisiana Constitution of 1974.

FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SARINE PARISH
Ninny, Louisiana
Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the secretary/treasurer prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Fiscal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1996, the district has cash and cash equivalents (book balances) totaling \$194,236 as follows:

Demand deposits	\$84,236
Time deposits	<u>110,000</u>
Total	<u>\$194,236</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (book balances) at December 31, 1996, are secured as follows:

FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Marry, Louisiana
Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are financially dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a majority of the district's board of commissioners and the district provides fire protection to residents within Sabine Parish, the district was determined to be a component unit of the Sabine Parish Police Jury, the financial reporting entity. The accompany financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fund assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities,

FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Many, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended
December 31, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish was created by the Sabine Parish Police Jury, as authorized by Louisiana Revised Statute (R.S.) 1492 on August 17, 1966. The district is governed by a five member board appointed by the police jury, the Town of Many, and by the board. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district. Board members receive compensation as provided for by law.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Sabine Parish Police Jury is the financial reporting entity for Sabine Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Sabine Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. *Appointing a voting majority of an organization's governing body, and*
 - a. *The ability of the police jury to impose its will on that organization and/or*
 - b. *The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.*

FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SAJINE PARISH
Marty, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE PAYABLE (UNRECOVERABLE)</u>
REVENUES			
Taxes - ad valorem	\$121,000	\$130,260	\$9,260
Intergovernmental - state funds:			
State revenue sharing (net)		13,800	13,800
Fire insurance rebate	13,500	13,517	17
Use of money and property - interest earnings	1,800	3,800	2,000
Other revenues		392	392
Total revenues	<u>150,100</u>	<u>158,679</u>	<u>8,579</u>
EXPENDITURES			
Current:			
Personal services and related benefits	20,800	19,817	1,983
Operating services	50,800	49,020	1,780
Materials and supplies	6,700	3,294	3,406
Capital outlay	68,200	86,369	18,169
Total expenditures	<u>150,200</u>	<u>158,476</u>	<u>17,274</u>
EXCESS OF REVENUES OVER EXPENDITURES	900	66,203	66,203
FUND BALANCE AT BEGINNING OF YEAR	<u>251,400</u>	<u>251,400</u>	
FUND BALANCE AT END OF YEAR	<u>\$252,300</u>	<u>\$317,603</u>	<u>\$65,303</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 - LA SALLE PARISH
Merry, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1996**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - ad valorem	\$147,000	\$145,748	(\$1,252)
Intergovernmental - state funds:			
State revenue sharing (net)		14,323	14,323
Fire insurance rebate	15,373	15,373	
Use of money and property - interest earnings	4,500	4,357	143
Other revenues		350	350
Total revenues	<u>166,873</u>	<u>180,351</u>	<u>13,478</u>
EXPENDITURES			
Current:			
Personal services and related benefits	18,600	18,252	348
Operating services	63,300	76,124	(\$12,824)
Materials and supplies	4,000	4,058	58
Capital outlay	71,000	64,664	6,336
Total expenditures	<u>156,900</u>	<u>163,098</u>	<u>(\$6,802)</u>
EXCESS OF REVENUES OVER EXPENDITURES	9,973	17,253	7,280
OTHER FINANCING SOURCE			
Sale of fixed assets	13,500	15,635	2,135
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	23,473	32,888	9,415
FUND BALANCE AT BEGINNING OF YEAR	<u>281,388</u>	<u>281,388</u>	
FUND BALANCE AT END OF YEAR	<u>\$304,861</u>	<u>\$314,276</u>	<u>\$9,415</u>

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 1
WARDEN 3 AND 4 OF SABINE PARRISH
Parish, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1995

	DEPARTMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FUNDS ASSETS	TOTAL COMBINATION (8615)
ASSETS			
Cash and cash equivalents	\$194,216		\$194,216
Receivables:			
Ad valorem taxes	141,383		141,383
State revenue sharing	8,999		8,999
Land, buildings, and equipment		<u>\$1,203,146</u>	<u>1,203,146</u>
TOTAL ASSETS	<u>\$344,618</u>	<u>\$1,203,146</u>	<u>\$1,547,764</u>
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	<u>\$13,361</u>	NONE	<u>\$13,361</u>
Fund Equity:			
Investment in general fixed assets		\$1,203,146	1,203,146
Fund balance - unreserved - undesignated	<u>311,256</u>		<u>311,256</u>
Total Fund Equity	<u>311,256</u>	<u>1,203,146</u>	<u>1,514,402</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$146,618</u>	<u>\$1,203,146</u>	<u>\$1,547,764</u>

The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

LOUIS L. ANEXIIS
CERTIFIED PUBLIC ACCOUNTANT

126 COMMERCE TRAIL
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(504) 786-3036

Independent Auditor's Report

**BOARD OF COMMISSIONERS
FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Marty, Louisiana**

I have audited the general purpose financial statements of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish, as of December 31, 1996, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of Fire Protection District No. 1 Wards 3 and 4 of Sabine Parish. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish, as of December 31, 1996, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Morg, Louisiana
Control, December 31, 1996

C.O.N.T.E.N.T.S (CONTD.)

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FIRE PROTECTION DISTRICT NO. 1
 WARD 3 AND 4 OF BARRIE PARISH
 May, Louisiana

General Purpose Financial Statements
 With Independent Auditor's Report
 As of and for the Two Years Ended
 December 31, 1996
 With Supplemental Schedule

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**FIRE PROTECTION DISTRICT NO. 1
WARDS 1 AND 4 OF GERMINE PARISH
Mossy, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1974
With Supplemental Information Schedule**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or clerk, entry and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date July 7, 1985

126-COMANCHE TRAIL
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**Independent Auditor's Report on Compliance
With Laws and Regulations**

BOARD OF COMMISSIONERS
FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Marty, Louisiana

I have audited the general purpose financial statements of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish, as of December 31, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated May 23, 1997.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the *Louisiana Legislative Auditing*. These standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws and regulations applicable to Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish, is the responsibility of the board's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish, compliance with certain provisions of laws and regulations. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

BOARD OF COMMISSIONERS
FIRE PROTECTION DISTRICT NO. 1,
WARDS 3 AND 4 OF SABINE PARISH
Merry, Louisiana

Independent Auditor's Report
on Internal Control Structure,
December 31, 1988

whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the information of the board of commissioners of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish and management of the fire protection district. This is not intended to limit the distribution of this report, which is a matter of public record.

Harriet H. Ambrose

West Monroe, Louisiana
May 23, 1989

FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Independent Auditor's Report,
December 31, 1986

In accordance with Government Auditing Standards, I have also issued reports dated May 23, 1987 on Fire Protection No. 1, Wards 3 and 4 of Sabine Parish's compliance with laws and regulations, and my consideration of the fire district's internal control structure.

Wesley H. Anderson

West Monroe, Louisiana
May 23, 1987

BOARD OF COMMISSIONERS
FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH

Independent Auditor's Report

on Compliance, etc.,

December 31, 1996

This report is intended for the information of the commissioners of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish and management of the fire protection district. This is not intended to limit the distribution of this report, which is a matter of public record.

Thomas M. Conlan

West Monroe, Louisiana

May 20, 1997

LOUIS L. ANDRÉSIS
CERTIFIED PUBLIC ACCOUNTANT

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**Independent Auditor's Report
on the Internal Control Structure**

BOARD OF COMMISSIONERS
FIRE PROTECTION DISTRICT NO. 1
WARDS 3 AND 4 OF SABINE PARISH
Morg., Louisiana

I have audited the general purpose financial statements of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish, as of December 31, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated May 23, 1997.

I conducted my audit in accordance with generally accepted auditing standards; *Governance Auditing Standards*, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and can be detected. Also, preparation of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of Fire Protection District No. 1, Wards 3 and 4 of Sabine Parish for the two years ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and

PRACTICE LIMITED TO GOVERNMENTAL AUDITING AND ACCOUNTING

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