

Fire Protection Sub - District No. 2 of West Baton Rouge Parish
Notes to the Financial Statements
June 30, 1990

Introduction

The Fire Protection Sub - District No. 2 of West Baton Rouge Parish was established by the parish governing authority, under the provisions of Louisiana Revised Statute 40:1506. The "Sub - District" was created to do and perform all acts necessary and proper for the purpose of providing fire protection service within the heady sub - district. The Sub - District is governed by a chief executive officer and a board of commissioners, in accordance with Louisiana Revised Statute 40:1506 which provides that if a municipality is included within a sub - district, the governing body of the municipality shall be the governing body of the sub - district. The members of the governing body serve without pay.

I. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of Fire Protection Sub - District No. 2 of West Baton Rouge Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental funds. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In June of 1990, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

B. Financial Reporting Entity

GASB Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity. 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 the ability of the reporting entity to impose its will on that organization's governing body, and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity; (2) organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity; and (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.

For financial reporting purposes, in conformance with GASB Statement No. 14, the Fire Protection Sub - District No. 2 of West Baton Rouge Parish includes all funds, account groups, and activities that are controlled by, or dependent on, the Sub - District's executive and legislative branches (the chief executive officer and board of commissioners). The accompanying financial statements present only information on the funds maintained by the District and do not present information on any other governmental entity.

Mr. Lynn Pousada, Chief Executive Officer
and Members of the Board of Commissioners
November 21, 1998

Prior Year Findings

Conditions: The Sub - District's attorney was paid \$208.35 per month, an annual total of \$2,500, and the District's accounting services was paid \$316.67 per month, an annual total of \$3,800. No supporting documentation in the form of invoices, statements or contracts was found for any of these expenditures.

Resolution: Subsequent to presentation of the audit and findings, the attorney submitted invoices. However, as stated above, the invoices did not provide any information as to what services were actually performed, only that the billing was for "retainer for the month of". This finding has not been satisfactorily resolved and has been repeated in the current year finding.

The Secretary - Treasurer began submitting monthly invoices as recommended. The need for a contract was considered, however Resolution No. 4 of 1991 duly adopted by the governing body of the Sub - District, outlines in detail the duties and responsibilities of the Secretary - Treasurer.

I wish to express my sincere appreciation to the personnel of Fire Protection Sub - District No. 2 of West Baiter Hongz Parish for their cooperation and courtesies afforded to me during our engagement.

If there are any questions regarding my comments or recommendations, please advise me at your convenience.

Sincerely,



W. Kathleen Boyd
Certified Public Accountant

Fire Protection Sub - District No. 2 of West Baton Rouge Parish
Notes to the Financial Statements
June 30, 1996

I. Summary of Significant Accounting Policies (Continued)

E. Budget and Budgetary Accounting

The Sub - District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Chief Executive Officer prepares a proposed budget and submits same to the Board of Commissioners prior to the beginning of each year.
2. The budget is adopted through passage of a resolution at the first board meeting of each fiscal year.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. Budgets for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Commissioners.
5. Expenditures may exceed budgeted amounts providing funds are available and subsequent to the board's approval.
6. Formal budgetary integration is employed as a management control device. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budgetary appropriations lapse at the end of each fiscal year.

F. Encumbrances

Encumbrance accounting is not employed by the Fire Protection Sub - District No. 2 of West Baton Rouge Parish.

G. Total Columns on Statements

Total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Fire Protection Sub - District No. 2 of West Haven County Probate
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
Year ended June 30, 1995**

Schedule 1

	Budget	Actual	Variance (Favorable)	1995
REVENUE:				
Inter-governmental:				
Funds -				
Sales tax	\$165,000	\$191,894	\$26,894	\$176,211
250 Fire Insurance Refund	6,000	6,671	671	6,761
Interest Income	5,000	3,435	-1,565	3,299
Miscellaneous	0	950	950	790
Total revenue	176,000	204,950	28,950	190,061
EXPENDITURES:				
Current -				
Public safety - Fire				
Salaries	36,000	36,810	810	36,700
Administration - Legal	2,625	2,625	0	2,600
Administration - Clerical	3,000	3,950	950	3,800
Special training - expense	5,000	1,918	-3,082	1,411
Construction & special training	2,000	2,055	55	2,400
Fire equipment & supplies	3,000	3,643	643	2,900
Fire prevention	2,500	2,495	-5	2,477
Fire and equipment & supplies	3,000	3,000	0	2,991
Equipment maintenance	0	2,625	(2,625)	1,264
Hydrant maintenance	1,500	2,179	679	23,999
Inventory - General	25,000	21,250	-3,750	15,999
Maintenance fire stations	16,500	16,648	148	1,800
Matching funds	1,500	1,000	-500	0
Payroll tax expense	2,500	2,550	50	2,171
Postage	300	112	-188	92
Printing	300	4	-296	0
Professional fees	3,000	3,650	650	1,300
Publications & Access	300	150	-150	564
Radio maintenance	3,500	5,073	1,573	3,765
Stationery & supplies	1,000	980	-20	804
Telephone	4,000	2,928	-1,072	3,644
Uniforms - firefighters	3,000	5,254	2,254	4,366
Utilities - fire station	2,500	2,568	68	1,745
Vehicle expense - fuel	2,000	3,478	1,478	2,886
Vehicle expense - repairs	10,000	11,700	1,700	8,852
Miscellaneous	2,000	1,170	-830	2,150
Total Current expenditures	131,645	134,000	2,355	123,236
Capital outlays -				
Furniture	0	1,500	(1,500)	3,310
Fire Reciprocators	5,000	4	-4,996	0
Vehicles	85,000	85,000	0	80,996
Radio's	10,000	11,500	1,500	0
Equipment	6,000	5,624	-376	3,471
Total Capital outlays	106,000	103,628	-2,372	88,787
Total Expenditures	237,645	237,628	(17)	212,023
Current Revenues Over (Under) Expenditures	44,355	(12,678)	57,033	67,838
BEGINNING FUND BALANCE	213,736	213,736	0	206,185
ENDING FUND BALANCE:	\$258,091	\$191,058	(66,993)	\$213,736



W. Kathleen Brown
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Management Letter

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, unity 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 _____

November 21, 1986

To the Mr. Lynn Pouchon, Chief Executive Officer
 and Members of the Board of Commissioners
 Fire Protection Sub - District No. 2 of West Baton Rouge Parish

In planning and performing my audit of the financial statements of Fire Protection Sub - District No. 2 of West Baton Rouge Parish for the year ended June 30, 1986, I considered the Sub - District's internal control structure to determine any auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. However, during my audit I became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes my comments and suggestions regarding these matters. A separate report dated November 21, 1986, contains my report on consideration of the Sub - District's internal control structure, and a separate report dated November 21, 1986, contains my report of the Sub - District's compliance with applicable laws, regulations, contracts and grants. This letter does not affect my report dated November 21, 1986, on the financial statements of the Fire Protection Sub - District No. 2 of West Baton Rouge Parish.

Internal Control:

Condition: The governing body of the Sub - District has not clearly established its personnel policies governing the criteria for the awarding of compensation for overtime hours or compensatory time off, and the limits of their approval. Various laws, both federal and state, have been enacted dealing with this matter causing confusion as to which laws apply. Also, the personnel policies do not specifically address limits, if any, to accrual of unused vacation.

Criteria: Louisiana Revised Statutes Title 33 Subpart B of Chapter 4 applies to firemen which includes persons employed full-time by fire protection districts. Additionally, Federal Regulations Part 553, Application of Fair Labor Standards Act to Employees of State and Local Governments addresses compensatory time which is paid immediately, and compensatory time off, which is paid time off that is earned and accrued by an employee in lieu of immediate cash payment.

Recommendation: These laws should be thoroughly analyzed and researched to determine how they apply to the specific facts of the Sub - District's employment arrangement with its single employee, the fire chief. Upon obtaining a clear understanding of all applicable laws, the governing body should formally set personnel policies that are in compliance with the provisions of all applicable laws and regulations.

Fire Protection Sub - District No. 2 of West Baton Rouge Parish
 Annual Financial Statements
 Year ended June 30, 1996

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W. Kathleen Beard
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INDEPENDENT AUDITOR'S REPORT

To Mr. Lynn Poirier, Chief Executive Officer
and Members of the Board of Commissioners
Fire Protection Sub - District No. 2 of West Baton Rouge Parish

I have audited the accompanying general purpose financial statements of Fire Protection Sub - District No. 2 of West Baton Rouge Parish, as of and for the year ended June 30, 1996. These general purpose financial statements are the responsibility of the Sub - District's management. 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. Those 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 general purpose 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 Sub - District No. 2 of West Baton Rouge Parish as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated November 21, 1996 on my consideration of Fire Protection Sub - District No. 2's internal control structure and a report dated November 21, 1996 on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Schedules" in the table of contents is prepared for purposes of additional analysis and is not a required part of the financial statements of Fire Protection Sub - District No. 2 of West Baton Rouge Parish. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in my opinion, is fairly stated in all material respects in relation to such statements taken as a whole.



W. Kathleen Beard, Certified Public Accountant
November 21, 1996

*W. Kathleen Beard
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**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To Mr. Lynn Francois
and Members of the Board of Commissioners
Fire Protection Sub - District No. 2 of West Baton Rouge Parish

I have audited the general purpose financial statements of Fire Protection Sub - District No. 2 of West Baton Rouge Parish, for the year ended June 30, 1996, and have issued my report thereon dated November 21, 1996.

I have conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 Sub - District No. 2 of West Baton Rouge 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 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 not be detected. Also, projection 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 Sub - District No. 2 of West Baton Rouge Parish, for the year ended June 30, 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 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.

Mr. Lynn Pearson, Chief Executive Officer
and Members of the Board of Commissioners
November 21, 1996

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 condition in which the design or operation of one or more of the 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 operations that I consider to be material weaknesses as defined above.

However, I noted certain matters involving the internal control structure and its operations that I have reported to the management of Fish Protection Sub - District No. 2 of West Haven Range in a separate letter dated November 21, 1996.

This report is intended for the information of management and the legislative authority. However, this report is a matter of public record and its distribution is not limited.



W. Kathleen Beard, Certified Public Accountant
November 21, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS
Consolidated Statements Overview

Fire Protection Sub - District No. 2 of West Haven Range Parish
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1996

Exhibit A

	Governmental Fund Type General Fund	Account Groups		Totals (Memorandum Only)	
		General Long - term Debt	General Fixed Assets	1996	Revised 1995
ASSETS					
Cash	\$42,397	\$0	\$0	42,397	42,394
Investments	125,000	0	0	125,000	150,000
Receivables -					
Intergovernmental	21,351	0	0	21,351	20,044
Equitation	0	0	649,459	649,459	545,816
Amount to be provided for payment of Compensated absence	0	4,115	0	4,115	6,784
TOTAL ASSETS	\$188,748	\$4,115	\$649,459	\$842,327	\$767,997
LIABILITIES AND FUND EQUITY					
Liabilities:					
Current -					
Accounts payable and accrued liabilities	\$8,550	\$0	\$0	\$8,550	\$1,701
Long - term - Compensated absence payable	0	4,115	0	4,115	\$6,784
Total Liabilities	8,550	4,115	0	12,665	8,485
Fund Equity:					
Investment in General Fixed Assets	0	0	649,459	649,459	545,816
Fund balance - unassigned	180,198	0	0	180,198	213,706
Total Fund Equity	180,198	0	649,459	829,657	759,522
TOTAL LIABILITIES AND FUND EQUITY	\$188,748	\$4,115	\$649,459	\$842,327	\$767,997

The accompanying notes to the financial statements are an integral part of this statement.

Fire Protection Sub - District No. 2 of West Haven Bridge Parish
 Combined Statement of Revenues, Expenditures and Changes in
 Fund Balance - All Governmental Fund Types
 Year ended June 30, 1996

Exhibit B

	General Fund	(Memorandum Only)	
		1996	1995
REVENUES:			
Intergovernmental -			
Parish -			
Sales tax	\$191,094	\$191,094	\$176,221
2% Fire insurance rebate	6,637	6,637	6,787
Interest income	3,428	3,428	3,299
Miscellaneous	930	930	790
Total revenues	204,109	204,109	190,987
EXPENDITURES:			
Current -			
Public safety -			
Fire	134,005	134,005	123,236
Capital outlay	100,643	100,643	18,180
Total expenditures	230,648	230,648	141,426
Excess Revenues Over (Under) Expenditures	(33,539)	(33,539)	49,571
BEGINNING FUND BALANCE	213,736	213,736	164,165
ENDING FUND BALANCE	\$180,198	\$180,198	\$213,736

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The accompanying notes to the financial statements are an integral part of this statement.

Fire Protection Sub - District No. 2 of West Salem Replat Period
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - Governmental Fund Types
 Year ended June 30, 1996

Exhibit C

	General Fund		Totals (Memorandum Only)	
	Budget	Actual (Unencumbered)	Budget	Actual (Unencumbered)
REVENUES:				
Intergovernmental:				
Funds -				
Sales tax	\$193,000	\$191,094	\$193,000	\$191,094
2% Fire Insurance Rebate	6,000	6,037	6,000	6,037
Interest Income	5,000	5,478	5,000	5,478
Miscellaneous Income	0	600	0	600
Total revenues	176,000	204,109	176,000	204,109
EXPENDITURES:				
Current -				
Public safety -				
Fire	131,645	134,005	131,645	134,005
Capital outlay	104,000	103,643	104,000	103,643
Total expenditures	235,645	237,648	235,645	237,648
Extra Revenues Over (Under) Expenditures	(59,645)	(33,539)	(59,645)	(33,539)
BEGINNING FUND BALANCE	213,736	213,736	213,736	213,736
ENDING FUND BALANCE	\$144,090	\$180,198	\$154,090	\$180,198
			26,108	49,971
			0	34,145
			26,108	\$21,795

The accompanying notes to the financial statements are an integral part of this statement.

Fire Protection Sub - District No. 2 of West Baton Rouge Parish
Notes to the Financial Statements
June 30, 1996

1. Summary of Significant Accounting Policies (Continued)

C. Fund Accounting

The accounts of Fire Protection Sub - District No. 2 of West Baton Rouge Parish are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include assets, liabilities, fund equity, revenues and expenses or expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are utilized by the Sub - District:

Governmental Fund Types:

The General Fund is an account for all financial resources except for those required to be accounted for in another fund. The General Fund is used as the main operating fund of the District.

General Fund Assets:

The General Fund Assets Account Group is used to account for the fixed assets used in governmental fund type operations.

D. Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when measurable in accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. The Sub - District considers sales taxes available when in the hands of the intermediary collecting governments and are recognized as revenues at this time. Expenditures are recorded when the related fund liability is incurred.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

To Mr. Lynn Pearson, Chief Executive Officer
and Members of the Board of Commissioners
Fire Protection Sub - District No. 2 of West Baton Rouge Parish

I have audited the general purpose financial statements of Fire Protection Sub - District No. 2 of West Baton Rouge Parish of and for the year ended June 30, 1996, and have issued my report thereon dated November 21, 1996.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those 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.

Compliance with laws, regulations, contracts, and grants applicable to Fire Protection Sub - District No. 2 of West Baton Rouge Parish, is the responsibility of the Sub - District'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 Sub - District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of my audit of the 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 Governmental Auditing Standards.

I would remain immaterial instances of noncompliance that I have reported to the management of Fire Protection Sub - District No. 2 of West Baton Rouge Parish in a separate letter dated November 21, 1996.

This report is intended for the information of management and the legislative auditor. However, this report is a matter of public record and its distribution is not limited.



W. Kathleen Beard, Certified Public Accountant
November 21, 1996

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**Fire Protection Sub - District No. 2 of
West Baton Rouge Parish**

Annual Financial Statements

Year ended June 30, 1996

Fire Protection Sub - District No. 2 of West Baton Rouge Parish
Notes to the Financial Statements
June 30, 1995

1. Summary of Significant Accounting Policies (Continued)

II. Fixed Assets

The accounting and reporting treatment applied to fixed assets associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, and are recorded as capital assets in the governmental fund types when purchased. No depreciation has been provided on such assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Fixed assets valued at estimated cost total \$75,000. Interest costs has not been capitalized. Infrastructure assets are capitalized.

2. Cash and Investments

Cash - At June 30, 1995 the carrying amount of the Sub - District's deposits (cash) was \$47,147 and the bank balance was \$50,245. Of the bank balance all was covered by federal depository insurance.

Investments - Under state law, the District may invest in United States bonds, treasury notes or certificates of deposit. The Sub - District's investments consist of one Certificate of Deposit with a term of 6 months. The current interest rate is 5.24%. Interest earned is added to the Certificate of Deposit at maturity. Investments are reported at cost, which approximates market. At June 30, 1995 the balance was \$125,000 and was covered by federal deposit insurance in the amount of \$100,000 and deposit collateral consisting of pledged securities having a market value of \$252,000, held in the name of California National Bank (risk category 3).

3. Changes in General Fixed Assets

A summary of the general fixed asset group is as follows:

Equipment and Vehicles	Restated Balance	Additions	Deletions	Balance
	July 1, 1995			June 30, 1995
	\$ 545,815	\$ 100,640	\$ 0	\$ 646,455
	<u>\$ 545,815</u>	<u>\$ 100,640</u>	<u>\$ 0</u>	<u>\$ 646,455</u>

Fire Protection Sub - District No. 2 of West Union Range Parish
Notes to the Financial Statements
June 30, 1996

4. Correction of Error - Restatement of Prior Year Totals

The prior year totals of the General Fixed Asset Group accounts have been restated to reflect the actual of amount of fixed assets on hand as determined by a physical inventory taken, resulting in an increase of \$75,709. The increase is likely due to unrecorded assets on hand such as donated assets and assets originally recorded as a "Current Expenditure" as opposed to a "Capital Expenditure", and consequently omitted from the General Fixed Asset Account Group accounts. This restatement has no effect on current year or prior year operations.

5. Receivables

Intergovernmental receivables reported in the Balance sheet at June 30, 1996 are comprised of the following intergovernmental revenues:

West Union Range Parish -	
Sales tax	\$ 14,714
2 % Fire Insurance Rebate	6,637
	<hr/>
Total Receivables	\$ 21,351
	<small>00 00 00 00 00 00</small>

5. Sales Tax Revenues

Sales tax revenues are collected by the West Union Range Parish Sales Tax Department for the West Union Range Fire Protection District No. 1 (the District). The Fire Protection Sub - District No. 2 of West Union Range Parish participates with other sub - districts in the District sales tax revenue. Sales tax revenues received by Fire Protection Sub - District No. 2's represent 94% of it's total revenue.

6. Compensated Absences

The Sub - District provides for paid vacation for its employees, the Fire Chief. Eighteen days paid vacation is earned after the first year of service, and after ten years of service, one additional day is earned thereafter until he has 30 days. As June 30, 1996, compensation for unused vacation has been accrued in the amount of \$1,386.

The Sub - District also provides for comp time for hours worked between 40 and 60 hours per week, on an hour for hour basis. As June 30, 1996, accumulated comp time has been accrued in the amount of \$2,729.

The total accrual for compensated absence payable at June 30, 1996 is \$4,115.