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Board of Commissioners
Spencer-West Stirlington
Fire Protection District
Stirlington, Louisiana

We have compiled the accompanying balance sheet of Spencer-West Stirlington Fire Protection District (a component unit of the Union Parish Police Jury) as of December 31, 1996, and the related statements of revenues, expenses, and changes in retained earnings, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Luffey, Huffman & Monroe

March 23, 1997

SPENCER-WEST STERLINGTON FIRE PROTECTION DISTRICT

DECEMBER 31, 1996

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SPENCER-WEST STERLINGTON FIRE PROTECTION DISTRICT
BALANCE SHEET
DECEMBER 31, 1996

	<u>1996</u>
ASSETS	
Current Assets	
Cash	\$ 12,801
Accounts Receivable	16,215
Total Current Assets	<u>29,016</u>
Property and Equipment	
Fire Station	15,000
Vehicles	40,000
Equipment	43,685
Total	<u>98,685</u>
Less: Accumulated Depreciation	118,600
Net Depreciable Assets	<u>(80,815)</u>
Land	2,000
Total Property and Equipment	<u>18,870</u>
TOTAL ASSETS	\$ <u>47,886</u>

LIABILITIES AND FUND EQUITY

Current Liabilities	
Accounts Payable	\$ <u>993</u>
Total Current Liabilities	<u>993</u>
Fund Equity	
Retained Earnings:	
Unreserved	<u>87,820</u>
Total Fund Equity	<u>87,820</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>47,813</u>

See accompanying notes and accountants' report.

SPENCER-WEST STERLINGTON
FIRE PROTECTION DISTRICT
(A COMPONENT UNIT OF UNION PARISH POLICE JURY)

AFFIDAVIT

Personally came and appeared before the undersigned authority, Paul D. Spillers, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Spencer-West Sterlington Fire Protection District as of December 31, 1996, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Paul D. Spillers, duly sworn, deposes and says that the Spencer-West Sterlington Fire Protection District received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1996, and, accordingly, is not required to have an audit for the previously mentioned fiscal year end.

Paul D. Spillers
Signature

Sworn to and subscribed before me, this Thirty-First Day of March, 1997.

Catherine A. Taton
NOTARY PUBLIC

Office Parsons

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**SPENCER-WEST STERLINGTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1996**

	<u>1996</u>
Operating Revenues	
Fire Fees	\$ 13,400
Total Operating Revenues	<u>13,400</u>
Operating Expenses	
Depreciation	15,087
Insurance	1,029
Maintenance and Repairs	2,380
Miscellaneous	76
Office Expense	2,449
Utilities	644
Total Operating Expenses	<u>22,075</u>
Loss From Operations	<u>(8,675)</u>
Nonoperating Revenues	
State grants	8,757
Rental fees	500
Interest Earned	508
Total Nonoperating Revenues	<u>9,765</u>
Increase in Retained Earnings	1,090
Retained Earnings at Beginning of Year	<u>86,747</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 87,837</u>

See accompanying notes and accountants' report.

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**SPENCER-WEST STERLINGTON
FIRE PROTECTION DISTRICT**
(A COMPONENT UNIT OF UNION PARISH POLICE JURY)

Financial Statements
For the Year Ended December 31, 1996

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the Auditor, in accordance, with and for appropriate public officials. This 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: 4-9-97

SPENCER-WEST STERLINGTON FIRE PROTECTION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1996

	<u>1996</u>
Cash Flows From Operating Activities	
Loss From Operations	\$ <u>(8,673)</u>
Adjustments to Reconcile Loss From Operations to Net Cash Provided by Operating Activities:	
Depreciation	15,097
(Increase) in Accounts Receivable	(968)
Increase in Accounts Payable	<u>478</u>
Total Adjustments	<u>14,607</u>
Net Cash Provided By Operating Activities	<u>6,234</u>
Cash Flows From Noncapital Financing Activities	
Cash payments from operating grants	8,757
Cash payments from rental fees	<u>500</u>
Net Cash Provided By Noncapital Financing Activities	<u>9,257</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of Fixed Assets	<u>(15,488)</u>
Net Cash (Used) By Capital and Related Financing Activities	<u>(15,488)</u>
Cash Flows From Investing Activities	
Interest Received	<u>500</u>
Net Cash Provided By Investing Activities	<u>500</u>
Net (Decrease) in Cash and Cash Equivalents	(5,495)
Cash and Cash Equivalents at Beginning of Year	<u>16,971</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>12,511</u>

See accompanying notes and accountants' report.

**SPENCER-WEST STERLINGTON
FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1996**

SEE ACCIDENTALTY COMPILATION REPORT

Note 1 - Description of Organization

Spencer-West Sterlington Fire Protection District (the District) was created by the Union Parish Police Jury (the Police Jury), as authorized by Louisiana Revised Statute 33:2811. The District is governed by a five-member Board of Commissioners who are residents of and own real estate in the District. The Board of Commissioners receive no compensation for their services. The Board is appointed by the Police Jury and is responsible for the day-to-day operations of the District and the setting of fees to customers residing within the District. The District provides service to approximately 355 customers.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The District is considered an Enterprise Fund and is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with this fund are included on the balance sheet. Enterprise Funds use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

B. Reporting Entity

In June, 1991, the GASB issued Statement Number 14 "The Financial Reporting Entity". This Statement established criteria for determining which component units of government should be considered part of the primary government for financial reporting purposes.

**SPENCER-WEST STERLINGTON
FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1996**

"SEE ACCOUNTANTS' COMPILATION REPORT"

The basic criteria for determining a component unit is accountability. As the Police Jury appoints a voting majority of the board of commissioners of the District, has the ability to impose its will upon the District, and is financially responsible for the District, the District is considered a component unit of the Police Jury, the primary governing body of the parish and the governmental body with oversight responsibility.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the government services provided by that primary governmental unit, or other component units that comprise the primary government reporting entity.

C. Fund Accounting

The District is organized and operated on a fund basis whereby a self-balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through customer fees.

D. Cash and Cash Equivalents

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits with maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. Fixed Assets

All fixed assets are valued at actual historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives of 5 to 28 years.

SPENCER-WEST STERLINGTON
FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 1996

"SEE ACCOUNTANTS' COMPILATION REPORT"

F. Compensated Absences

The District has no paid employees. All services are performed on a volunteer basis.

Note 3 - Significant Concentrations of Credit Risk

Under state law, all interest-bearing demand deposits 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. At December 31, 1996, all of the monies on deposit were covered by federal deposit insurance.