

**NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity 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 8-11-04

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
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NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
TRANSMITTAL LETTER
ANNUAL FINANCIAL STATEMENTS

March 19, 2004

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Sirs:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the North Sabine Fire Protection District, for the year ended December 31, 2003. The report includes only funds under the control and oversight of the North Sabine Fire Protection District.

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Sincerely,


Fire Chief

Enclosure

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Nick Spann, Fire Chief of the North Sabine Fire Protection District, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the North Sabine Fire Protection District, at December 31, 2003 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Fire Chief

Sworn to and subscribed before me, this 19th day of March, 2004.


NOTARY PUBLIC

HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
North Sabine Fire Protection District
Zwolle, Louisiana 71486

We have audited the accompanying basic financial statements of the North Sabine Fire Protection District, Zwolle, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of management of the North Sabine Fire Protection District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Sabine Fire Protection District as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated March 19, 2004, on our consideration of the North Sabine Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 4 through 8 and 21, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the North Sabine Fire Protection District taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hines, Jackson & Hines
Natchitoches, Louisiana
March 19, 2004

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS
DECEMBER 31, 2003

The Management's Discussion and Analysis of the North Sabine Fire Protection District's financial performance presents a narrative overview and analysis of North Sabine Fire Protection District's financial activities for the year ended December 31, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on page 1 and the North Sabine Fire Protection District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- 1) The North Sabine Fire Protection District had cash and investments of \$222,966 at December 31, 2003 which represents an increase of \$10,876 from prior year end.
- 2) The North Sabine Fire Protection District had accounts receivable of \$167,284 at December 31, 2003 which represents a decrease of \$3,108 from prior year end.
- 3) The North Sabine Fire Protection District had accounts payable and accruals of \$9,435 at December 31, 2003 which represents a decrease of \$1,775 from prior year end.
- 4) The North Sabine Fire Protection District had total revenues of \$264,155 for the year ended December 31, 2003 which represents an increase of \$4,858 from prior year.
- 5) The North Sabine Fire Protection District had personal services expenses of \$15,807 for the year ended December 31, 2003 which represents an increase of \$879 from prior year.
- 6) The North Sabine Fire Protection District had operating services expenses of \$94,917 for the year ended December 31, 2003 which represents an increase of \$14,473 from prior year.
- 7) The North Sabine Fire Protection District had supplies expenses of \$30,804 for the year ended December 31, 2003 which represents an increase of \$18,928 from prior year.
- 8) The North Sabine Fire Protection District had capital asset purchases of \$109,905 for the year ended December 31, 2003 which represents a decrease of \$1,397 from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the North Sabine Fire Protection District as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
DECEMBER 31, 2003

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the North Sabine Fire Protection District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the Fund's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 11. All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Fund's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fund's activities as well as what remains for future spending.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
DECEMBER 31, 2003

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2003</u>	<u>2002</u>
Current and other assets	\$ 390,250	\$ 382,482
Capital assets, net	<u>623,897</u>	<u>624,307</u>
Total Assets	<u>\$ 1,014,147</u>	<u>\$ 1,006,789</u>
Other liabilities	\$ 9,435	\$ 11,210
Compensated Absences payable	<u>0</u>	<u>0</u>
Total Liabilities	9,435	11,210
Net assets		
Investment in capital assets, net of related debt	623,897	624,307
Unrestricted	<u>380,815</u>	<u>371,272</u>
Total Net Assets	<u>1,004,712</u>	<u>995,579</u>
Total Liabilities and Net Assets	<u>\$ 1,014,147</u>	<u>\$ 1,006,789</u>

Net assets of the North Sabine Fire Protection District's increased by \$9,133 or 0.92% from the previous fiscal year. The increase is the result of general revenues exceeding operating expenses during the fiscal year ended 2003 (See table below).

Statement of Activities
For the Year Ended

	<u>2003</u>	<u>2002</u>
General government Expenses	\$ (255,022)	\$ (208,962)
Program revenues		
Operating grants and contributions	<u>0</u>	<u>0</u>
Subtotal	(255,022)	(208,962)
General revenues	<u>264,155</u>	<u>259,297</u>
Change in net assets	<u>\$ 9,133</u>	<u>\$ 50,335</u>

The North Sabine Fire Protection District's total revenues increased by \$4,858 or 1.87% from the previous year. The total cost of all programs and services increased by \$46,060 or 22.04% from the previous year.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
DECEMBER 31, 2003

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, the North Sabine Fire Protection District had \$623,897, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$410 or 0.07% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	2003	2002
Land	\$ 30,115	\$ 30,115
Construction in progress	1,773	0
Buildings and building improvements	210,948	188,500
Automobiles	356,814	380,887
Machinery and equipment	24,247	24,805
Total	\$ 623,897	\$ 624,307

This year's major additions included:

Construction in progress	\$ 1,773
Building and building improvements	\$ 47,382
Automobiles	\$ 52,000
Machinery and equipment	\$ 8,750

This years' major retirements included:

Building and building improvements	\$ 1,262
Machinery and equipment	\$ 501,838

Debt

The North Sabine Fire Protection District had \$0 in compensated absences payable outstanding at year end compared to \$0 at the previous year end, no change, as shown in the table below.

Outstanding Debt at Year End

	2003	2002
Compensated absences payable	\$ 0	\$ 0
Totals	\$ 0	\$ 0

New debt during the year included:

None.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
DECEMBER 31, 2003

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$34,155 more than budgeted amounts due to taxes and state revenue sharing being more than expected.

Actual expenditures were \$24,612 more than budgeted amounts due to supplies being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The North Sabine Fire Protection District's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) State revenue sharing
- 3) Fire insurance rebate

The North Sabine Fire Protection District does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE NORTH SABINE FIRE PROTECTION DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the North Sabine Fire Protection District's finances and to show the North Sabine Fire Protection District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nick Spann, Fire Chief, Post Office Box 81, Zwolle, Louisiana 71486.

EXHIBIT A

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

ASSETS	
Current Assets	
Cash	\$ 222,966
Accounts receivable	<u>167,284</u>
Total Current Assets	390,250
Noncurrent Assets	
Capital assets, net	<u>623,897</u>
Total Assets	<u>\$ 1,014,147</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Accounts payable and accruals	\$ <u>9,435</u>
Total Current Liabilities	9,435
Noncurrent Liabilities	
Compensated Absences payable	<u>0</u>
Total Liabilities	9,435
NET ASSETS	
Investment in capital assets, net of related debt	623,897
Unrestricted	<u>380,815</u>
Total Net Assets	<u>1,004,712</u>
Total Liabilities and Net Assets	<u>\$ 1,014,147</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
General Government					
Personal services	\$ 15,807	\$ 0	\$ 0	\$ 0	\$ (15,807)
Travel	0	0	0	0	0
Operating services	94,917	0	0	0	(94,917)
Supplies	30,804	0	0	0	(30,804)
Professional services	3,179	0	0	0	(3,179)
Depreciation	110,315	0	0	0	(110,315)
Total General Government	<u>\$ 255,022</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(255,022)</u>
General Revenues					
Taxes					204,618
State revenue sharing					28,924
Fire insurance rebate					23,439
Interest income					3,642
Miscellaneous					<u>3,532</u>
Total General Revenues					<u>264,155</u>
Change in Net Assets					9,133
Net Assets, Beginning of year as restated					<u>995,579</u>
Net Assets, End of year					<u>\$ 1,004,712</u>

The accompanying notes are an integral part of this statement.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

ASSETS	
Cash	\$ 222,966
Accounts receivable	<u>167,284</u>
Total Assets	<u><u>\$ 390,250</u></u>
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accruals	\$ <u>9,435</u>
Total Liabilities	<u>9,435</u>
 FUND BALANCES	
Unreserved	<u>380,815</u>
Total Fund Balances	<u>380,815</u>
Total Liabilities and Fund Balances	<u><u>\$ 390,250</u></u>

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2003

Total Fund Balances for Governmental Funds (Exhibit C) \$ 380,815

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 30,115	
Construction in progress	1,773	
Buildings and building improvements, net of \$146,997 in accumulated depreciation.	210,948	
Automobiles, net of \$375,336 in accumulated depreciation.	356,814	
Machinery and equipment, net of \$35,450 in accumulated depreciation.	<u>\$ 24,247</u>	
Total Capital Assets		623,897

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

0

Total Net Assets of Governmental Activities (Exhibit A) \$ 1,004,712

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL
FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

REVENUES	
Taxes	\$ 204,618
State revenue sharing	28,924
Fire insurance rebate	23,439
Interest income	3,642
Miscellaneous	<u>3,532</u>
Total Revenues	264,155
EXPENDITURES	
General government	
Personal services	15,807
Travel	0
Operating services	94,917
Supplies	30,804
Professional services	3,179
Capital outlay	<u>109,905</u>
Total Expenditures	<u>254,612</u>
Excess/(Deficiency) Of Revenues Over Expenditures	9,543
Fund Balance, Beginning of year	<u>371,272</u>
Fund Balance, End of year	<u>\$ 380,815</u>

The accompanying notes are an integral part of this statement.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$	9,543
The change in Net Assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$110,315) exceeds capital outlays (\$109,905) in the current period.		(410)
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		<u>0</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$</u>	<u>9,133</u>

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

The North Sabine Fire Protection District was created by the Sabine Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, for the purpose of providing fire protection within the District. The District is governed by a board of six commissioners appointed by the Police Jury and Town of Zwolle, Village of Converse, Village of Pleasant Hill and Village of Noble.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the North Sabine Fire Protection District present information only as to the transactions of the programs of the North Sabine Fire Protection District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the North Sabine Fire Protection District are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The North Sabine Fire Protection District prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the North Sabine Fire Protection District defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2003, \$0 were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the North Sabine Fire Protection District are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 20 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

The North Sabine Fire Protection District does not have any full time employees; Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the North Sabine Fire Protection District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these 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 bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2003 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ 222,966	\$ 0	\$ 222,966
	Cash	Certificates of Deposit	Total
Bank Balances:			
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 145,444	\$ 0	\$ 145,444
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	78,048	0	78,048
3. Uncollateralized, including any securities held for the entity but not in entity's name	0	0	0
Total Bank Balances	\$ 223,492	\$ 0	\$ 223,492

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
Sabine State Bank	\$ 223,492
Total	\$ 223,492

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2003:

Class of Receivable		Amount
Taxes		\$ 167,284
Other		0
Total		\$ 167,284

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

NOTE 4 CAPITAL ASSETS

A summary of the North Sabine Fire Protection District's capital assets at December 31, 2003 follows:

	<u>Balance December 31, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2003</u>
Capital Assets, not being depreciated				
Land	\$ 30,115	\$ 0	\$ 0	\$ 30,115
Construction in progress	<u>0</u>	<u>1,773</u>	<u>0</u>	<u>1,773</u>
Total Capital Assets, not being depreciated	30,115	1,773	0	31,888
Capital Assets, being depreciated				
Buildings and building improvements	311,825	47,382	(1,262)	357,945
Less accumulated depreciation	<u>(123,325)</u>	<u>(24,934)</u>	<u>1,262</u>	<u>(146,997)</u>
Total Buildings and building improvements	188,500	22,448	0	210,948
Automobiles	680,150	52,000	0	732,150
Less accumulated depreciation	<u>(299,263)</u>	<u>(76,073)</u>	<u>0</u>	<u>(375,336)</u>
Total Automobiles	380,887	(24,073)	0	356,814
Machinery and equipment	552,785	8,750	(501,838)	59,697
Less accumulated depreciation	<u>(527,980)</u>	<u>(9,308)</u>	<u>501,838</u>	<u>(35,450)</u>
Total machinery and equipment	<u>24,805</u>	<u>(558)</u>	<u>0</u>	<u>24,247</u>
Total Capital Assets, being depreciated	<u>594,192</u>	<u>(2,183)</u>	<u>0</u>	<u>592,009</u>
Total Capital Assets, net	<u>\$ 624,307</u>	<u>\$ (410)</u>	<u>\$ 0</u>	<u>\$ 623,897</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2003:

<u>Class of Payable</u>	
Vendor	\$ 1,442
Payroll taxes	493
Ad valorem taxes-retirement system	<u>7,500</u>
Total	<u>\$ 9,435</u>

NOTE 6 LEASES

The North Sabine Fire Protection District was not obligated under any capital or operating lease commitments at December 31, 2003.

NOTE 7 LITIGATION

The North Sabine Fire Protection District was a defendant in one lawsuit as of December 31, 2003. Although the outcome of this lawsuit is not determinable at this stage of the proceedings, the potential losses not covered by applicable insurance is not considered to be significant in relation to the District's overall financial condition.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

NOTE 8 PRIOR YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for December 31, 2003:

Fund Balance, beginning of year as previously reported	\$ 371,272
Adjustments: Investments in Capital Assets, beginning of year	1,574,875
Accumulated Depreciation, beginning of year	<u>(950,568)</u>
Net Assets, beginning of year as restated	<u>\$ 995,579</u>

REQUIRED SUPPLEMENTARY INFORMATION

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Original/Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./(Unfav.)</u>
REVENUES			
Taxes	\$ 189,000	\$ 204,618	\$ 15,618
State revenue sharing	18,000	28,924	10,924
Fire insurance rebate	18,000	23,439	5,439
Interest income	2,000	3,642	1,642
Miscellaneous	<u>3,000</u>	<u>3,532</u>	<u>532</u>
Total Revenues	230,000	264,155	34,155
EXPENDITURES			
General government			
Personal services	17,360	15,807	1,553
Travel	0	0	0
Operating services	89,790	94,917	(5,127)
Supplies	5,200	30,804	(25,604)
Professional services	3,500	3,179	321
Capital outlay	<u>114,150</u>	<u>109,905</u>	<u>4,245</u>
Total Expenditures	<u>230,000</u>	<u>254,612</u>	<u>(24,612)</u>
Excess/(Deficiency) Of Revenues Over Expenditures	0	9,543	9,543
Fund Balance, Beginning of year	<u>371,272</u>	<u>371,272</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 371,272</u>	<u>\$ 380,815</u>	<u>\$ 9,543</u>

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 2

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
DECEMBER 31, 2003

Elzy Anderson	\$	300
Albert Ezernack		300
Jerry McDonald		360
Gary Rivers, President		360
Jim Veuleman		270
Doug Williams		<u>330</u>
Total	\$	<u>1,920</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

In accordance with Louisiana Revised Statute 40:1498, members, including police jurors serving ex-officio, may be paid per diem of \$30 for attending board meetings, not to exceed two meetings in one calendar month.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

1.	Type of auditors' report issued.	Unqualified
2.	Internal control over financial reporting:	
	a) Material weaknesses identified?	None
	b) Reportable conditions identified not considered to be material weaknesses?	None
	c) Noncompliance material to the financial statements noted?	None

SECTION #2

FINANCIAL STATEMENT FINDINGS

2003-01	Actual expenditures for the District were \$24,612 (10.70 percent) more than budgeted amounts in 2003.
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
North Sabine Fire Protection District
Zwolle, Louisiana 71486

We have audited the basic financial statements of the North Sabine Fire Protection District, Zwolle, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated March 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the North Sabine Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards. A description of the finding can be found in findings 2003-01 of the accompanying Corrective Action Plan For Current Year Audit Findings, Schedule 5.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the North Sabine Fire Protection District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the North Sabine Fire Protection District and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines

Natchitoches, Louisiana
March 19, 2004

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 5

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
2003-01	Actual expenditures for the District were \$24,612 (10.70 percent) more than budgeted amounts in 2003.	The District will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.	Nick Spann Fire Chief	03/31/2004

HINES, JACKSON & HINES, L.L.C.

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Board of Commissioners
North Sabine Fire Protection District
Zwolle, Louisiana 71486

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the North Sabine Fire Protection District, Zwolle, Louisiana, a component unit of the Sabine Parish Police Jury, as of December 31, 2003, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve compliance, record keeping procedures and general operations of the District and are intended to be constructive in nature:

Existing Conditions:

We noted that actual expenditures for the District were \$24,612 (10.70 percent) more than budgeted amounts in 2003.

LSA-R.S. 39:1310 requires the District to amend its budget whenever actual revenues and expenditures are projected to be less than or exceed budgeted amounts by more than five percent.

Recommended Action:

We suggest the District's adopted budget be closely monitored and amended whenever there has been a change in operations upon which the original adopted budget was developed. Care should be exercised to maintain actual revenues and expenditures within the five percent limit established by statute.

Management's Response:

The District will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the District's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Hines, Jackson & Hines

Natchitoches, Louisiana

March 19, 2004