

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
LEGISLATIVE AUDITOR

00 MAY 17 AM 9:26

**NATCHITOCHE PARISH
FIRE PROTECTION DISTRICT NO. 3**

**FINANCIAL REPORT
December 31, 1999**

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 MAY 24 2000

Natchitoches Parish
Fire Protection District No. 3
Financial Report
December 31, 1999

TABLE OF CONTENTS

	<u>Page</u>
Accountant's Compilation Report on the Financial Statements	1
General Purpose Financial Statements <u>Combined Statements - Overview</u>	
Combined Balance Sheet-Fund Type and Account Group	3
<i>Statement of Revenues, Expenditures</i> and Changes in Fund Balance-Budget (GAAP Basis) and Actual-General Fund	4
Notes to Financial Statements	6-12

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, C.P.A., A Professional Corporation (1962-1996)

Mark D. Thomas, C.P.A., A Professional Corporation

Roger M. Cunningham, C.P.A., A Professional Corporation

*321 Bienville Street
Natchitoches, Louisiana 71457*

(318) 352-3652

Fax (318) 352-4447

To the Board of Commissioners of the
Natchitoches Parish Fire District No. 3

We have compiled the accompanying general purpose financial statements of the Natchitoches Parish Fire District No. 3, a component unit of the Natchitoches Parish Police Jury, as of December 31, 1999 and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services established by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting method established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting in the form of financial statements information that is the representation of the District's 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.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

March 23, 2000
Natchitoches, LA 71457

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

Natchitoches Parish Fire
Protection District No. 3

Combined Balance Sheet- Fund Type and Account Group
December 31, 1999

	Governmental	<u>Account Group</u>		
	<u>Fund Type</u> General Fund	General Fixed Assets	General Long Term Debt	Total (Memorandum Only)
ASSETS:				
Cash	\$59,885	\$ 0	\$ 0	\$ 59,885
Property Taxes Receivable Amount Available	26,085	0	0	26,085
For Long-Term Debt	0	0	77,770	77,770
Amount to be Provided For Long-Term Debt	0	0	22,230	22,230
Buildings	0	85,641	0	85,641
Land	0	4,500	0	4,500
Equipment	0	9,706	0	9,706
Fire Truck	<u>0</u>	<u>119,415</u>	<u>0</u>	<u>119,415</u>
 Total Assets	 <u>\$85,970</u>	 <u>\$219,262</u>	 <u>\$100,000</u>	 <u>\$405,232</u>
LIABILITIES AND FUND EQUITY:				
Notes Payable				
Long-Term Debt	\$ 0	\$ 0	\$ 100,000	\$100,000
Accounts Payable	8,200	0	0	8,200
Total Liabilities	<u>\$ 8,200</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$108,200</u>
 Fund Equity-				
Investment in General Fixed Assets	\$ 0	\$219,262	\$ 0	\$219,262
Fund Balance- Reserved for Long-Term Debt	77,770	0	0	77,770
 Total Fund Equity	 <u>\$77,770</u>	 <u>\$219,262</u>	 <u>\$ 0</u>	 <u>\$297,032</u>
 Total Liabilities and Fund Equity	 <u>\$85,970</u>	 <u>\$219,262</u>	 <u>\$100,000</u>	 <u>\$405,232</u>

Natchitoches Parish Fire
Protection District No. 3

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
General Fund
Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$ 24,000	\$ 26,918	\$ 2,918
Intergovernmental	3,000	2,491	(509)
Other	<u>1,500</u>	<u>2,577</u>	<u>1,077</u>
Total Revenues	\$ <u>28,500</u>	\$ <u>31,986</u>	\$ <u>3,486</u>
EXPENDITURES:			
Current-			
General Government	\$ 2,200	\$ 826	\$ 1,374
Public Safety	<u>157,400</u>	<u>213,657</u>	<u>(56,257)</u>
Total Expenditures	\$ <u>159,600</u>	\$ <u>214,483</u>	\$ <u>(54,883)</u>
Excess (Deficiency) of Revenues over Expenditures	\$(131,100)	\$(182,497)	\$ (51,397)
Other Financing Sources (Uses):			
Certificate of Indebtedness Proceeds	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Excess (Deficiency) of Revenues and Other Finance Sources over Expenditures and Other Uses	\$(131,100)	\$ (82,497)	\$ 48,603
Fund Balance- Beginning of Year	<u>160,267</u>	<u>160,267</u>	<u>0</u>
Fund Balance- End of Year	\$ <u>29,167</u>	\$ <u>77,770</u>	\$ <u>48,603</u>

See accountants' compilation report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Fire
Protection District No. 3

Notes to Financial Statements
December 31, 1999

1. The Reporting Entity:

Fire Protection District No. 3, of Natchitoches Parish, Louisiana was created in June 1982, by ordinance of the Natchitoches Parish Police Jury. The District is charged with providing fire protection for the citizens of District No. 3 of Natchitoches Parish.

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 accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

Fire Protection District No. 3, of Natchitoches Parish prepares its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the Natchitoches Parish Police Jury. The accompanying statements present only transactions of the Fire District No. 3, of Natchitoches Parish, a component unit of the Natchitoches Parish Police Jury.

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of Natchitoches Parish Fire Protection District No. 3 conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517.

As the governing authority of the parish, for reporting purposes, the Natchitoches Parish Police Jury is the financial reporting entity for Natchitoches 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 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 Statement No. 14 established criteria for determining which component units should be considered part of the Natchitoches 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.

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

Natchitoches Parish Fire
Protection District No. 3

Notes to Financial Statements
December 31, 1999

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally 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 created by ordinance Fire District No. 3, the district was determined to be a component unit of the Natchitoches Parish Police Jury, the financial reporting entity. The accompanying 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.

The following is a summary of certain significant accounting principles and practices-

Fund Accounting:

The accounts of Natchitoches Parish Fire Protection District No. 3 are organized on the basis of a fund and account group, each of which is considered a separate accounting entity. The operations of the fund or account group is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, revenues and expenditures. Resources are allocated to the fund or account group based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund presented in this report is described as follows:

Governmental Fund-

General Fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources of the District.

Fixed Assets and Long-term Liabilities-

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The governmental fund is accounted for on a spending or "financial flow" measurement focus and only current assets and liabilities are generally included on its balance sheet.

Fixed assets used in the governmental fund operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the general fund.

Natchitoches Parish Fire
Protection District No. 3

Notes to Financial Statements
December 31, 1999

These assets are recorded as expenditures in the General Fund when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations.

Basis of Accounting:

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

The General Fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. Taxes are recorded in the period earned since they are measurable and available and are therefore considered to be susceptible to accrual. Expenditures are generally recognized when the related fund liability is incurred. Purchase of various operating supplies are regarded as expenditures at the time purchased.

The Natchitoches Parish Fire Protection District No. 3 does not employ the use of "Encumbrance accounting".

Total Columns on Combined Statements-Overview:

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis.

Budgetary Practices:

An annual operating budget is adopted for the General Fund. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the Treasurer prepares a proposed budget and submits it to the Board of Commissioners.
2. The Board of Commissioners approves the budget, or amends it as necessary.
3. The approved budget is held open for public inspection.
4. Budget appropriations lapse at the end of each year.

Natchitoches Parish Fire
Protection District No. 3

Notes to Financial Statements
December 31, 1999

Investments:

The District does not have any investments other than cash invested in interest bearing checking accounts.

3. Pension Plan:

The District is not a member of any retirement plan.

4. General Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance <u>1-1-99</u>	1999 <u>Additions</u>	1999 <u>Deletions</u>	Balance <u>12-31-99</u>
Buildings	\$ 3,641	\$ 82,000	\$0	\$ 85,641
Land	4,500	0	0	4,500
Fire Equipment	9,706	0	0	9,706
Fire Truck	<u>4,630</u>	<u>114,785</u>	<u>0</u>	<u>119,415</u>
Total	<u>\$22,477</u>	<u>\$196,785</u>	<u>\$0</u>	<u>\$219,262</u>

5. Litigation:

The District is not a party in any litigation seeking damages for the year ended December 31, 1999.

6. Related Party Transactions:

The District had no related party transactions for the year ended December 31, 1999.

7. Compensation Paid to Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services.

8. Ad Valorem Taxes:

The District levies taxes on real and business personal property located within the boundaries of Natchitoches Parish Fire District No. 3. Property taxes are levied by the District on property values assessed by the Natchitoches Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

Natchitoches Parish Fire
Protection District No. 3

Notes to Financial Statements
December 31, 1999

The District's cash is categorized below to give an indication of the level of risk assumed by the District at December 31, 1999. Category 1 includes cash held by the District which is insured and held in the District's name. Category 2 would include cash and investments held in the District's name which is uninsured. Category 3 would include cash held by a trustee or other third party not in the District's name and uninsured and unregistered.

	Category <u>1</u>	Category <u>2</u>	Category <u>3</u>
Cash:			
Checking Account	\$33,498	\$0	\$0
Hi-Fi Account	<u>26,387</u>	<u>0</u>	<u>0</u>
Total Cash	<u>\$59,885</u>	<u>\$0</u>	<u>\$0</u>

10. Receivables:

The following is a summary of receivables at December 31, 1999:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes- Ad Valorem	<u>\$26,085</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

11. Certificates of Indebtedness:

For the year ended December 31, 1999, Fire District No. 3 issued \$100,000 of certificates of indebtedness for the purpose of acquiring, constructing, and/or improving fire protection facilities and equipment. These certificates are to be repaid from a pledge and dedication of revenues of a special ad valorem tax levied for the years 1999 to 2008.

Certificates of indebtedness outstanding at December 31, 1999 are as follows:

<u>Issue</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>
Certificate of Indebtedness	6/14/99	03/01/09	Variable	\$100,000

Natchitoches Parish Fire
Protection District No. 3

Notes to Financial Statements
December 31, 1999

The annual debt service requirements to maturity including interest payments of \$28,579 are as follows:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Debt Service</u>	<u>Annual Debt Service</u>
March 1, 2000	\$ 9,000	1.000%	\$ 3,172	\$ 12,172	\$ 12,172
March 1, 2001	8,000	2.000%	4,353	12,353	12,353
March 1, 2002	9,000	3.000%	4,193	13,193	13,193
March 1, 2003	9,000	4.500%	3,923	12,923	12,923
March 1, 2004	10,000	5.250%	3,518	13,518	13,518
March 1, 2005	10,000	5.250%	2,993	12,993	12,993
March 1, 2006	10,000	5.250%	2,468	12,468	12,468
March 1, 2007	11,000	5.500%	1,943	12,943	12,943
March 1, 2008	12,000	5.500%	1,338	13,338	13,338
March 1, 2009	<u>12,000</u>	5.650%	<u>678</u>	<u>12,678</u>	<u>12,678</u>
Totals	<u>\$100,000</u>		<u>\$28,579</u>	<u>\$128,579</u>	<u>\$128,579</u>