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NATCHITOCHE PARISH FIRE  
PROTECTION DISTRICT NO.4  
FINANCIAL REPORT  
December 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

AUG 28 1996

Release Date \_\_\_\_\_

Natchitoches Parish Fire  
Protection District No. 4

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# *Johnson, Thomas & Cunningham*

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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 4  
P. O. Box 274  
Provencal, Louisiana 71468

We have audited the general purpose financial statements of the Natchitoches Parish Fire Protection District No. 4, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in Government Auditing Standards, issued by the U.S. General Accounting Office, and the Louisiana Governmental Audit Guide. 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Parish Fire Protection District No. 4, Natchitoches, Louisiana, as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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

June 27, 1996  
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

Natchitoches Parish Fire  
Protection District No. 4

Combined Balance Sheet- Fund Type and Account Group  
December 31, 1995

	<u>Governmental</u> <u>Fund Type</u> General <u>Fund</u>	<u>Account Group</u> General Fixed <u>Assets</u>	Totals (Memorandum Only) <u>12-31-95</u>
Assets:			
Cash	\$18,638	\$ 0	\$ 18,638
Revenue Receivable	24,044	0	24,044
Building, Trucks & Equipment	<u>0</u>	<u>155,513</u>	<u>155,513</u>
Total Assets	<u>\$42,682</u>	<u>\$155,513</u>	<u>\$198,195</u>
Liabilities and Fund Equity:			
Fund Equity-			
Investment in General Fixed Assets	\$ 0	\$155,513	\$155,513
Fund Balance- Undesignated	<u>42,682</u>	<u>0</u>	42,682
Total Fund Equity	<u>\$42,682</u>	<u>\$155,513</u>	<u>\$198,195</u>
Total Liabilities and Fund Equity	<u>\$42,682</u>	<u>\$155,513</u>	<u>\$198,195</u>

See notes to financial statements.

Natchitoches Parish Fire  
Protection District No. 4

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

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Taxes-			
Ad Valorem Taxes	\$ 23,500	\$26,554	\$3,054
Intergovernmental-			
Fire Insurance Tax	2,500	3,269	769
Miscellaneous	<u>1,500</u>	<u>1,223</u>	<u>(277)</u>
Total Revenues	\$ <u>27,500</u>	\$ <u>31,046</u>	\$ <u>3,546</u>
EXPENDITURES:			
Current-			
General Government	1,000	995	5
Public Safety	\$ 18,500	\$13,694	\$4,806
Capital Expenditures	<u>20,000</u>	<u>22,223</u>	<u>(2,223)</u>
Total Expenditures	\$ <u>39,500</u>	\$ <u>36,912</u>	\$ <u>2,588</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (12,000)	\$(5,866)	\$6,134
Fund Balance-Beginning of Year	<u>48,548</u>	<u>48,548</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>36,548</u>	\$ <u>42,682</u>	\$ <u>6,134</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Fire  
Protection District No. 4

Notes to Financial Statements  
December 31, 1995

1. The Reporting Entity:

Fire Protection District No. 4 of Natchitoches Parish, Louisiana was created in June 1982, by ordinance of the Natchitoches Parish Policy Jury. The District is charged with providing fire protection for the citizens of District No. 4 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. 4, 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. 4, 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. 4 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.



Natchitoches Parish Fire  
Protection District No. 4

Notes to Financial Statements  
December 31, 1995

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
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. 4, 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. 4 are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the fund or account groups are 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.

Natchitoches Parish Fire  
Protection District No. 4

Notes to Financial Statements  
December 31, 1995

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.

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

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. 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. 4 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.

Natchitoches Parish Fire  
Protection District No. 4

Notes to Financial Statements  
December 31, 1995

Budgetary Practices:

Prior to the beginning of each fiscal year, the Treasurer submits a proposed budget to the Board of Commissioners. The budget is adopted, and held open for public inspection. All budgetary appropriations lapse at the end of the year. The budget presented in these financial statements was adopted on a basis consistent with generally accepted accounting principles.

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:

	<u>Balance</u> <u>1-1-95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-95</u>
Building, Trucks & Equipment	\$133,290	\$22,223	\$0	\$155,513

5. Litigation:

The District is not a party in any litigation seeking damages for the year ended December 31, 1995.

6. Related Party Transactions:

The District had no related party transactions for the year ended December 31, 1995.

Natchitoches Parish Fire  
Protection District No. 4

Notes to Financial Statements  
December 31, 1995

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. 4. 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.

The Natchitoches Parish Sheriff's office bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1, 1995
Levy date	June 30, 1995
Tax bills mailed	October 15, 1995
Total taxes are due	December 31, 1995
Penalties and interest added	January 31, 1996
Lien date	January 31, 1996
Tax Sale	May 15, 1996

The District is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the District. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Natchitoches Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

Natchitoches Parish Fire  
Protection District No. 4

Notes to Financial Statements  
December 31, 1995

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1994. Total assessed value was \$3,887,180 in 1995. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$1,431,190 of the assessed value in 1995. For the year ended December 31, 1995, taxes of 9.79 mils were levied on the property and were dedicated to fire protection. Taxes collected totaled \$26,554.

9. Cash and Investments:

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposits. At December 31, 1995, the District had cash equivalents totaling \$18,638. Under Louisiana Law, these deposits must be secured by Federal deposit insurance, or by the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The deposits at December 31, 1995, were as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash - Checking	\$18,638	\$18,638	\$ <u>    0</u>

INTERNAL CONTROL AND COMPLIANCE

# Johnson, Thomas & Cunningham

*Certified Public Accountants*

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## AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Natchitoches Parish Fire Protection District No. 4  
P. O. Box 274  
Provencal, LA 71468

We have audited the accompanying general purpose financial statements of the Natchitoches Parish Fire Protection District No. 4, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements covered by our report are free of material misstatement.

The management of the Natchitoches Parish Fire Protection District No. 4 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 our audit of the general purpose financial statements of the Natchitoches Parish Fire Protection District No. 4 for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

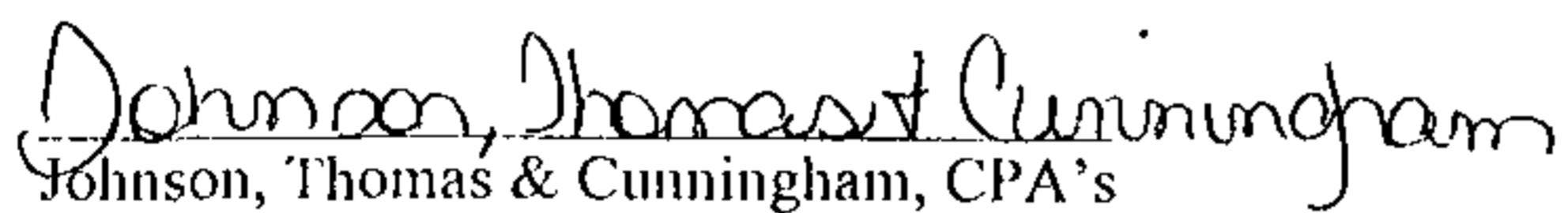
We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. A reportable condition involves matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Natchitoches Parish Fire Protection District No. 4, for the year ended December 31, 1995.

Our study and evaluation disclosed that due to a lack of personnel, there are no separation of duties in the District's office. This lack of separation of duties constitutes a material weakness in internal control, however, it is not practicable for the District to add accounting personnel.

This report is intended solely for the use of management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Natchitoches Parish Fire Protection District No. 4 is a matter of public record.

  
Johnson, Thomas & Cunningham, CPA's

June 27, 1996  
Natchitoches, Louisiana



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*Certified Public Accountants*

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COMPLIANCE REPORT BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Natchitoches Parish Fire Protection District No. 4  
P. O. Box 274  
Provencal, LA 71468

We have audited the general purpose financial statements of the Natchitoches Parish Fire Protect District No. 4, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements being audited are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the Natchitoches Parish Fire Protection District No. 4, is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, and contracts. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of management. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Natchitoches Parish Fire Protection District No. 4, is a matter of public record.

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

June 27, 1996  
Natchitoches, Louisiana