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

**FINANCIAL REPORT
December 31, 1997**

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.

Release Date: MAY 26 1998 1998

Northchester Parish
Fire Protection District No. 3
Financial Report
December 31, 1997

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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, 1987 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, CPAs

April 20, 1988
Natchitoches, LA 71417

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Natchitoches Parish Fire
Protection District No. 3

Combined Balance Sheet- Fund Type and Account Group
December 31, 1997

	Governmental	Account Group	Totals	
	Fund Type General Fund	General Fund Assets	(Memorandum Only)	
			1997	1996
ASSETS:				
Cash	\$114,917	\$ 0	\$114,917	\$ 90,394
Property Taxes Receivable	25,640	0	25,640	23,866
Buildings	0	0	0	0
Equipment	0	8,779	8,779	3,510
Fire Truck	0	4,620	4,620	4,620
Total Assets	\$140,567	\$13,409	\$154,000	\$122,000
LIABILITIES AND FUND EQUITY:				
Liabilities-				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 2,620
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 2,620
Fund Equity-				
Unreserved Fund Balance	\$140,567	\$ 0	\$140,567	\$121,448
Investment in General Fixed Assets	0	13,409	13,409	8,318
Total Fund Equity	\$140,567	\$13,409	\$154,000	\$129,888
Total Liability and Fund Equity	\$140,567	\$13,409	\$154,000	\$132,508

See accountants' compilation report.

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, 1997

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 27,808	\$ 27,358	\$ 458
Other	<u>1,308</u>	<u>4,314</u>	3,006
Total Revenues	\$ 29,116	\$ 31,672	\$2,556
EXPENDITURES:			
General Government	\$ 4,208	\$ 4,814	\$ (606)
Public Safety	<u>8,808</u>	<u>3,328</u>	5,480
Total Expenditures	\$ 13,016	\$ 8,142	\$4,874
Excess (Deficiency) of Revenues over Expenditures	\$ 14,400	\$ 21,358	\$8,760
Fund Balance- Beginning of Year	121,448	121,448	—
Fund Balance- End of Year	\$135,848	\$142,806	\$8,760

See accountant's compilation report.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Fire
Protection District No. 3

Notes to Financial Statements
December 31, 1997

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 2180 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, 1993

- 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 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.

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.

**Matchbooker Parish Fire
Protection District No. 1**

**Notes to Financial Statements
December 31, 1997**

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.

The account group is not a "fund". It is 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 basis 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. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The Matchbooker Parish Fire Protection District No. 1 does not employ the use of "fundbalance 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, 1997

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 1-1-97	1997 Additions	1997 Deletions	Balance 12-31-97
Buildings	\$ 0	\$ 0	0	\$ 0
Fire Equipment	3,910	4,868	0	8,778
Fire Trucks	4,630	—	0	4,630
?				
Total	8,540	4,868	0	13,408

5. Litigation:

The District is not a party in any litigation seeking damages for the year ended December 31, 1997.

6. Related Party Transactions:

The District had no related party transactions for the year ended December 31, 1997.

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, 1997

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.

Expenses, Tax Calendar

Assessment date	January 1, 1997
Levy date	June 30, 1997
Tax bills mailed	October 13, 1997
Total taxes due due	December 31, 1997
Penalties and interest added	January 31, 1998
Lien date	January 31, 1998
Tax Sale	May 13, 1998

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:

18% land	15% machinery
16% residential improvements	15% commercial improvements
12% industrial improvements	25% public service properties, excluding land

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 \$1,563,890 in 1997. 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 \$951,990 of the assessed value in 1997. For the year ended December 31, 1997, taxes of 8.81 mills were levied on the property and were dedicated to fire protection. Taxes collected totaled \$27,358.

8. Cash and Investments:

All of the District's cash is held in a checking account at a local bank. At December 31, 1997, the District's cash totaled \$116,997.

Natchitoches Parish Fire
Protection District No. 3

Notes to Financial Statements
December 31, 1997

The District's cash is categorized below to give an indication of the level of risk assumed by the District at December 31, 1997. 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 1	Category 2	Category 3
Cash:			
Checking Account	\$ 3,294	\$0	\$0
H-FI Account	308,663	0	0
Total Cash	\$311,957	\$0	\$0

18. Timely Submission of Financial Statements

We note that Fire District No. 3 is in violation of Louisiana Revised Statute (LSA-R.S.) 34:514, which requires all governmental entities to provide the legislative auditor with sworn annual financial statements within 90 days of the entity's fiscal year-end, unless the District enters into a timely audit agreement with a certified public accountant and the engagement agreement includes the period of the required financial statements.