

**NATCHITOCHE PARISH  
FIRE PROTECTION DISTRICT NO. 10**

**FINANCIAL REPORT  
JUNE 30, 2004**

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 9.29.04

Natchitoches Parish  
Fire Protection District No. 10  
Financial Report  
June 30, 2004

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**NATCHITOCHEES PARISH FIRE PROTECTION DISTRICT NO. 10**  
**Powhatan, LA 71066**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis is an element of the new reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. As this is the first year the District will be reporting under this new model, certain comparative information with the previous year, which is by design included in this model, will not be presented in the analysis, as permitted by GASB No. 34 with respect to first year reporting.

**Financial Highlights**

This annual report consists of a series of new financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The District is a component unit of the Natchitoches Parish Police Jury. Its operations are conducted through a general fund.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

ASSETS:

Assets	\$30,180
Capital assets, net of accumulated depreciation	<u>25,414</u>
Total Assets	\$55,594

LIABILITIES:

Accounts Payables	<u>111</u>
Net Assets	<u>\$55,483</u>

NET ASSETS:

Investment in capital assets	\$25,414
Unreserved fund balance	<u>30,069</u>
Total Net Assets	<u>\$55,483</u>

## Summary of Statement of Activities

## REVENUES:

## General Revenues:

Taxes	\$15,022
Other	<u>1,570</u>

Total Revenues	<u>\$16,592</u>
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## EXPENSES:

Public Safety	\$ 5,896
General and Administration	<u>5,061</u>

Total Expenses	<u>\$10,957</u>
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Change in Net Assets	<u>\$ 5,635</u>
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- This District's assets exceeded its liabilities by \$55,483 (net assets) for the year.
- Unreserved net assets of \$30,069 represent the portion available to maintain the District's obligation to both citizens and creditors.

General Fund Budgetary Highlights

The actual revenues were more than the budgeted amount for the year by \$2,292. Actual expenses were less than the budgeted amount by \$3,339.

Economic Factors and Next Year's Budget

The primary revenue source for the District is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases/decreases in the tax base would be evident. The budget for FY 2004/2005 should not change significantly from the FY 2003/2004 budget.

Contacting the Fire District

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the District at P. O. Box 164, Powhatan, LA 71066.

# **Johnson, Thomas & Cunningham**

**Certified Public Accountants**

**Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)**

**Mark D. Thomas, CPA – A Professional Corporation**  
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## **ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS**

**Natchitoches Parish Fire**  
**Protection District No. 10**  
**Powhatan, Louisiana 71066**

We have compiled the accompanying financial statements of the governmental activities and major fund information of the Natchitoches Parish Fire District No. 10, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the Table of Contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

The Management's Discussion and Analysis on pages 1 through 4 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Management has prepared the Management's Discussion & Analysis information. Accordingly, we do not express an opinion or any other form of assurance on Management's Discussion & Analysis.

**Johnson, Thomas & Cunningham**

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

**September 7, 2004**  
**Natchitoches, LA 71457**

**BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

Natchitoches Parish Fire Protection District No. 10  
Statement of Net Assets  
June 30, 2004

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Current Assets:	
Cash & Cash Equivalents	\$30,180
Non-current Assets:	
Capital Assets (Net)	<u>25,414</u>
Total Assets	<u>\$55,594</u>
<b>LIABILITIES:</b>	
Accounts Payable	\$ <u>111</u>
<b>NET ASSETS:</b>	
Invested in Capital Assets	\$25,414
Unrestricted	<u>30,069</u>
Total Net Assets	<u>\$55,483</u>
Total Liabilities and Net Assets	<u>\$55,594</u>

See accountant's compilation report and notes to financial statements.

Natchitoches Parish Fire Protection District No. 10  
Statement of Activities  
June 30, 2004

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets Government Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
General Government	\$ 5,061	\$0	\$0	\$ (5,061)
Public Safety	<u>5,896</u>	<u>0</u>	<u>0</u>	<u>(5,896)</u>
Total Governmental Activities	<u>\$10,957</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(10,957)</u>
General Revenues:				
Taxes:				
				\$ 15,022
				<u>1,570</u>
				<u>\$ 16,592</u>
				\$ 5,635
				<u>49,848</u>
				<u>\$ 55,483</u>

See accountant's compilation report and notes to financial statements.

**FUND FINANCIAL STATEMENTS**

Natchitoches Parish Fire Protection District No. 10  
Balance Sheet-Governmental Fund  
June 30, 2004

Assets:

Cash	<u>\$30,180</u>
Total Assets	<u>\$30,180</u>

Liabilities:

Accounts Payable	\$ 111
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Fund Balance:

Unreserved	<u>30,069</u>
Total Liabilities and Fund Balance	<u>\$30,180</u>

See accountant's compilation report and notes to financial statements.

Natchitoches Parish Fire Protection District No. 10  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Assets  
June 30, 2004

Total Fund Balance for the Governmental Fund at June 30, 2004	\$30,069
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 fund. Those assets consist of:	
Equipment, Buildings, and Vehicles, Net of Accumulated Depreciation	<u>25,414</u>
Total Net Assets of Governmental Activities at June 30, 2004	<u>\$55,483</u>

See accountant's compilation report and notes to financial statements.

Natchitoches Parish Fire Protection District No. 10  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
General Fund  
Year Ended June 30, 2004

	General Fund		
	Original/ Final Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:			
Taxes	\$13,000	\$15,022	\$2,022
Intergovernmental	<u>1,300</u>	<u>1,570</u>	<u>270</u>
Total Revenues	<u>\$14,300</u>	<u>\$16,592</u>	<u>\$2,292</u>
EXPENDITURES:			
Current-			
General Government	\$ 6,910	\$ 4,185	\$2,725
Public Safety	<u>6,510</u>	<u>5,896</u>	<u>614</u>
Total Expenditures	<u>\$13,420</u>	<u>\$10,081</u>	<u>\$3,339</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 880	\$ 6,511	\$5,631
Fund Balance-Beginning of Year	<u>23,558</u>	<u>23,558</u>	<u>0</u>
Fund Balance-End of Year	<u>\$24,438</u>	<u>\$30,069</u>	<u>\$5,631</u>

See accountant's compilation report and notes to financial statements.

Natchitoches Parish Fire Protection District No. 10  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended June 30, 2004

Total Net Change in Fund Balance at June 30, 2004, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$6,511
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures while Governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense for the year ended June 30, 2004.	<u>(876)</u>
Total changes in Net Assets at June 30, 2004, per Statement of Activities	<u>\$5,635</u>

See accountant's compilation report and notes to financial statements.



**NOTES TO FINANCIAL STATEMENTS**

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2004

**1. Introduction:**

Fire Protection District No. 10, of Natchitoches Parish, Louisiana, was created in June 1982, by ordinance of the Natchitoches Parish Police Jury.

The District is governed by a Board of Commissioners comprised of 5 members. Two members are appointed by the Natchitoches Parish Police Jury, two appointed by the Village of Powhatan, and a chairman selected by the other four members. The District was created to acquire buildings and equipment, water tanks, and other such things necessary to provide proper fire prevention and control within the District.

**2. Summary of Significant Accounting Policies:**

The accounting and reporting policies of Natchitoches Parish Fire Protection District No. 10 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 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

**A. Reporting Entity-**

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 the 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 (GASB) 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 criteria 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. This criteria includes:

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.

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2004

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. 10, 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.

**B. Basis of Presentation-**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**C. Fund Accounting-**

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2004

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the District is described below:

**Governmental Fund-**

**General Fund**

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**D. Measurement Focus/Basis of Accounting-**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Measurement Focus-**

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement is used as appropriate.

- a. The governmental fund utilizes a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost of recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

**Basis of Accounting-**

In the government-wide Statement of Assets and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2004

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the District.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Firefighting equipment	10 years
Ladders, hoses, airpacks	7 years
Radios	10 years
Fire trucks	15 years
Other vehicles	5 years
Buildings	40 years

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2004

**Compensated Absences-**

There are no employees of the District, therefore no entry is made to record compensated absences.

**Equity Classifications-**

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

**F. Budget-**

Prior to the beginning of each fiscal year, the Natchitoches Parish Fire Protection District No. 10 adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

**G. Estimates-**

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

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2004

**3. Changes in Accounting Principles:**

For the year ended June 30, 2004, the District has implemented GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. GASB No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The implementation of GASB No. 34 caused the opening fund balance at June 30, 2003, to be restated in terms of "net assets" as follows:

Total fund balance-Governmental Fund at June 30, 2003		\$23,558
Add: Cost of capital assets at June 30, 2003	\$104,553	
Less: Accumulated Depreciation at June 30, 2003	(78,263)	<u>26,290</u>
Net Assets at June 30, 2003		<u>\$49,848</u>

**4. Cash and Cash Equivalents:**

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At June 30, 2004, the District had cash and cash equivalents (collected bank balances) totaling \$30,210. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or 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. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the District. The deposits at June 30, 2004, were secured as follows:

Demand Deposits	\$30,210
FDIC	<u>30,210</u>
Uninsured	\$ <u>0</u>



Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2004

**5. Capital Assets:**

Capital asset balances and activity for the year ended June 30, 2004, is as follows:

<u>Governmental Activities</u>	<u>Balance 07-01-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-04</u>
<b>Capital Assets Depreciated:</b>				
Firefighting equipment	\$ 16,493	\$ 0	\$0	\$ 16,493
Fire trucks	53,010	0	0	53,010
Buildings	<u>35,050</u>	<u>0</u>	<u>0</u>	<u>35,050</u>
<b>Total Assets</b>	<b><u>\$104,553</u></b>	<b><u>\$ 0</u></b>	<b><u>\$0</u></b>	<b><u>\$104,553</u></b>
<b>Less: Accumulated Depreciation:</b>				
Firefighting equipment	\$ 16,493	\$ 0	\$0	\$ 16,493
Fire trucks	53,010	0	0	53,010
Buildings	<u>9,636</u>	<u>876</u>	<u>0</u>	<u>10,512</u>
<b>Total Depreciation</b>	<b><u>\$ 79,139</u></b>	<b><u>\$ 876</u></b>	<b><u>\$0</u></b>	<b><u>\$ 80,015</u></b>
<b>Net Capital Assets</b>	<b><u>\$ 25,414</u></b>	<b><u>\$(876)</u></b>	<b><u>\$0</u></b>	<b><u>\$ 24,538</u></b>

Depreciation expense of \$876 was charged to the general government function.

**6. Ad Valorem Taxes:**

The District levies taxes on real and business personal property located within the boundaries of Natchitoches Parish Fire District No. 10. 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, 2004
Levy date	June 30, 2004
Tax bills mailed	October 15, 2004
Total taxes are due	June 30, 2004
Penalties and interest added	January 31, 2005
Lien date	January 31, 2005
Tax Sale	May 15, 2005



Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2004

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

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, 2000. Total assessed value was \$1,890,430 in 2004. 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 \$302,280 of the assessed value in 2003. For the year ended June 30, 2004, taxes of 9.65 mils were levied on the property and were dedicated to fire protection. Taxes collected totaled \$15,022, after adjustments from the prior year.

**7. Pension Plan:**

The District is not a member of any retirement plan.

**8. Pending Litigation:**

There were no civil suits seeking damages against the District outstanding at June 30, 2004.

**9. Related Party Transactions:**

The District had no identified related party transactions for the year ended June 30, 2004.

**10. Compensation Paid to Board Members:**

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