

Natchitoches Parish
Fire Protection District No. 2

Notes to Financial Statements
December 31, 1997

	<u>Balance</u> <u>12-31-96</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-97</u>
GENERAL FIXED ASSETS:				
Buildings	\$ 77,343	\$ 0	\$ 0	\$ 77,343
Equipment	21,360	0	0	21,360
Fire Truck	<u>203,397</u>	<u>172,244</u>	<u>(143,073)</u>	<u>232,568</u>
 Total General Fixed Assets	 <u>\$302,100</u>	 <u>\$172,244</u>	 <u>\$(143,073)</u>	 <u>\$331,271</u>
 Investment in General Fixed Assets	 <u>\$302,100</u>	 <u>\$172,244</u>	 <u>\$(143,073)</u>	 <u>\$331,271</u>

Natchitoches Parish
Fire Protection District No. 2

Notes to Financial Statements
December 31, 1997

4. Changes in General Fixed Assets:

A summary of changes in general fixed assets is shown in the account group section of this report.

5. 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 \$25,877, and was insured entirely by FDIC insurance.

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 <u>1</u>	Category <u>2</u>	Category <u>3</u>
Cash:			
Checking Account	\$ 9,728	\$0	\$0
Hi-Fi Account	<u>16,149</u>	<u>0</u>	<u>0</u>
Total Cash	<u>\$25,877</u>	\$0	\$0

6. Pending Litigation:

There were no civil suits seeking damages against the District outstanding at December 31, 1997.

7. Related Party Transactions:

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

8. Compensation Paid to Board Members:

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

9. General Fixed Assets:

Changes in general fixed assets were as follows:

Natchitoches Parish
Fire Protection District No. 2

Notes to Financial Statements
December 31, 1997

Budgets-

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.

Encumbrances:

The Natchitoches Parish Fire Protection District No. 2, 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.

3. Ad Valorem Taxes:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in June or July and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are recognized as revenue when billed.

The Natchitoches Parish Sheriff's Office bills and collects property taxes using the assessed values determined by the Tax Assessor of Natchitoches Parish.

Taxes of 6.39 mills were levied on property with a taxable value of \$6,504,250 for the year ended December 31, 1997.

Total taxes levied were \$41,562 for 1997 of which \$40,089 was shown as revenue as of December 31, 1997, after adjustments were made to the tax roll.

Natchitoches Parish
Fire Protection District No. 2

Notes to Financial Statements
December 31, 1997

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. All governmental funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

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 governmental funds. 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 and are not involved 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. Ad valorem taxes are recognized in the years billed. Most other revenues are recognized when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchase of various supplies are recognized as expenditures at the time purchased.

Natchitoches Parish
Fire Protection District No. 2

Notes to Financial Statements
December 31, 1997

1. The Reporting Entity:

Fire Protection District No. 2, 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. 2 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. 2, 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. 2, 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. 2 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.

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

Fund Accounting:

The accounts of the Natchitoches Parish Fire Protection District No. 2 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 groups based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund and account groups presented in this report are as follows:

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish
Fire Protection District No. 2

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
General Fund
Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$36,000	\$40,089	\$ 4,089
Intergovernmental	5,500	5,289	(211)
Other	<u>1,500</u>	<u>4,473</u>	<u>2,973</u>
Total Revenues	<u>\$43,000</u>	<u>\$49,851</u>	<u>\$ 6,851</u>
EXPENDITURES:			
Public Safety	\$19,800	\$11,039	\$ 8,761
Capital Expenditures	<u>0</u>	<u>29,169</u>	<u>(29,169)</u>
Total Expenditures	<u>\$19,800</u>	<u>\$40,208</u>	<u>\$(20,408)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$23,200	\$ 9,643	\$(13,557)
Fund Balance- Beginning of Year	<u>57,796</u>	<u>57,796</u>	<u>0</u>
Fund Balance- End of Year	<u>\$80,996</u>	<u>\$67,439</u>	<u>\$(13,557)</u>

See notes to financial statements.

Natchitoches Parish
Fire Protection District No. 2

Statement of Revenues, Expenditures and Changes in Fund Balance-
General Fund
Year Ended December 31, 1997

	<u>Total</u>
REVENUES:	
Taxes	\$40,089
Intergovernmental	5,289
Other	<u>4,473</u>
Total Revenues	<u>\$49,851</u>
EXPENDITURES:	
Public Safety	\$11,039
Capital Expenditures	<u>29,169</u>
Total Expenditures	<u>\$40,208</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,643
Fund Balance- Beginning of Year	<u>57,796</u>
End of Year	<u>\$67,439</u>

See notes to financial statements.

Natchitoches Parish
Fire Protection District No. 2

Combined Balance Sheet
Fund Type and Account Groups
December 31, 1997

	<u>Governmental</u> <u>Fund Type</u> General <u>Fund</u>	<u>Account Group</u> General Fixed <u>Assets</u>	Total (Memorandum Only)
<u>Assets</u>			
Cash	\$25,877	\$ 0	\$ 25,877
Property Taxes Receivable	41,562	0	41,562
Buildings	0	77,343	77,343
Equipment	0	21,360	21,360
Fire Truck	<u>0</u>	<u>232,568</u>	<u>232,568</u>
Total Assets	<u>\$67,439</u>	<u>\$331,271</u>	<u>\$398,710</u>
<u>Liabilities & Fund Equity</u>			
Liabilities-			
Accounts Payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Equity-			
Unreserved Fund Balance	\$67,439	\$ 0	\$ 67,439
Investment in General Fixed Assets	<u>0</u>	<u>331,271</u>	<u>331,271</u>
Total Fund Equity	<u>\$67,439</u>	<u>\$331,271</u>	<u>\$398,710</u>
Total Liabilities & Fund Equity	<u>\$67,439</u>	<u>\$331,271</u>	<u>\$398,710</u>

See notes to financial statements.

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

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

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To the Board of Commissioners of the
Natchitoches Parish Fire District No. 2

We have compiled the accompanying component unit financial statements of the Natchitoches Parish Fire District No. 2, a component unit of the Natchitoches Parish Police Jury, as of December 31, 1997 and 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

January 23, 1998

Natchitoches, LA 71457

Natchitoches Parish
Fire Protection District No. 2
Financial Report
December 31, 1997

TABLE OF CONTENTS

	<u>Page</u>
Accountant's Compilation Report on the Financial Statements	1
Component Unit Financial Statements <u>Combined Statements - Overview</u>	
Combined Balance Sheet-Fund Type and Account Groups	3
Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual-General Fund	5
Notes to Financial Statements	7-11

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**NATCHITOCHE PARISH
FIRE PROTECTION DISTRICT NO. 2**

**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 ~~FEB 1 1998~~