NATCHITOCHES PARISH
FIRE PROTECTION DISTRICT NO. 4

FINANCIAL REPORT
DECEMBER 31, 2018

Natchitoches Parish Fire Protection District No. 4
Financial Report
December 31, 2018

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NATCHITOCHES PARISH FIRE PROTECTION DISTRICT NO. 4
P. O. Box 430
Provencal, LA 71468

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Natchitoches Parish Fire Protection District No. 4's (hereafter referred to as the District) annual financial report presents an overview and analysis of the District's financial activities for the year ended December 31, 2018. The intent of the MD&A is to look at the District's financial performance as a whole. It should, therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the District's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and presents 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.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statement of Activities presents information showing how the District's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

The services provided by the District are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District conducts its day-to-day operations through a governmental fund, the General Fund. These statements provide a short-term view of the District's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District.

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

Summary of Statement of Net Position

	2018	2017
ASSETS:		
Current Assets	$ 505,468	$ 493,487
Capital Assets, net of accumulated depreciation	1,120,211	1,232,583
Total Assets	$1,625,679	$1,726,070
LIABILITIES:		
Current Liabilities-		
Accounts Payable	$ 2,925	$ 2,297
Current Portion - Long-term Debt	56,293	79,846
Non-current Liabilities:		
Long-term Debt	812,621	853,954
Total Liabilities	$ 871,839	$ 936,097
NET POSITION:		
Net Investment in Capital Assets	$ 251,297	$ 298,783
Restricted for Long-term Debt	56,293	491,190
Unrestricted	446,250	0
Total Net Position	$ 753,840	$ 789,973

Summary of Statement of Activities

	2018	2017
REVENUES:		
Intergovernmental-		
Natchitoches Parish Government	$ 8,892	$ 7,681
State of Louisiana	40,450	0
General Revenues-		
Taxes	211,142	206,906
Other	177	229
Total Revenues	$260,661	$214,816
EXPENSES:		
Public Safety	296,795	185,704
Change in Net Position	$ (36,134)	$ 29,112

- The District's assets exceeded its liabilities by $753,840 (net position) for the year. For the prior year this was $789,973.

General Fund Budgetary Highlights

Revenues continue to be sufficient to enable the District to provide the necessary fire protection services to the citizens of the district.

Economic Factors and Next Year's Budget

The primary revenue source for the District is property taxes. This type of tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases or decreases in the tax base would be evident.

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 430, Provencal, LA 71468.

T | C | B | T
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Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Natchitoches Parish Fire
Protection District No. 4
P.O. Box 430
Provencal, Louisiana 71468

We have reviewed the accompanying financial statements of the governmental activities and major fund of the Natchitoches Parish Fire District No. 4 (District) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter Paragraphs

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents is presented for the purpose of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3). This schedule is not a required part of the basic financial statements.

The Budgetary Comparison Schedule and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the schedules in order for them to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

The Management's Discussion and Analysis has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management. We have not audited or reviewed the management's discussion and analysis and accordingly, we do not express an opinion or any other form of assurance on it.

Other Reporting Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated April 25, 2019, on the results of our agreed-upon procedures on page 28 through 30. Pages 31 through 36 present the Louisiana Attestation Questionnaire, management's letter, management's response, and status of prior year findings.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's

April 25, 2019
Natchitoches, LA 71457

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 4
Statement of Net Position
December 31, 2018

	Governmental Activities
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	$ 306,791
Revenue Receivable	198,677
Total Current Assets	$ 505,468
Non-Current Assets-	
Capital Assets (Net)	1,120,211
Total Assets	$1,625,679
LIABILITIES:	
Current Liabilities-	
Accounts Payable	$ 2,925
Current Portion - Long-term Debt	56,293
Total Current Liabilities	$ 59,218
Non-Current Liabilities:	
Long-Term Debt	812,621
Total Liabilities	$ 871,839
NET POSITION:	
Net Investment in Capital Assets	$ 251,297
Restricted for Long-term Debt	56,293
Unrestricted	446,250
Total Net Position	$ 753,840

See notes to financial statements.

Natchitoches Parish Fire Protection District No. 4
Statement of Activities
December 31, 2018

Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental Activities:					
Public Safety	$296,795	$0	$8,892	$40,450	$(247,453)

General Revenues:	
Taxes:	
Ad Valorem	$ 211,142
Interest	177
Total General Revenues	$ 211,319
Change in Net Position	$ (36,134)
Net Position January 1, 2018	789,974
Net Position December 31, 2018	$ 753,840

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 4
Balance Sheet-Governmental Fund
December 31, 2018

Assets:	
Cash & Cash Equivalents	$306,791
Revenue Receivable	198,677
Total Assets	$505,468
Liabilities:	
Accounts Payable	$ 2,925
Fund Balance:	
Restricted - Debt Service	$ 56,293
Unassigned	446,250
Total Fund Balance	$502,543
Total Liabilities and Fund Balance	$505,468

See notes to financial statements.

Natchitoches Parish Fire Protection District No. 4
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2018

Total Fund Balance for the Governmental Fund at December 31, 2018	$ 502,543
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Fund Financial Statements. Those assets consist of:	
Land, Equipment, Buildings, and Vehicles	1,849,224
Less, Accumulated Depreciation	(729,013)
Long-term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet	(868,914)
Total Net Position of Governmental Activities at December 31, 2018	$ 753,840

See notes to financial statements.

Natchitoches Parish Fire Protection District No. 4
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2018

REVENUES:	
Taxes-	
Ad Valorem Tax	$ 211,142
Intergovernmental-	
Fire Insurance Rebate	7,022
State Forestry Grant	40,450
Miscellaneous-	
Other	1,800
Donated Assets	70
Interest	177
Total Revenues	$ 260,661
EXPENDITURES:	
Current-	
Public Safety	$ 216,589
Capital Expenditures	32,719
Total Expenditures	$ 249,308
Excess of Revenues over Expenditures	$ 11,353
Fund Balance-Beginning of Year	491,190
Fund Balance-End of Year	$ 502,543

See notes to financial statements.

Natchitoches Parish Fire Protection District No. 4
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 December 31, 2018

Net Change in Fund Balance-Governmental Fund	$ 11,353
Amounts reported for Governmental Activities in the Statement of Activities is different because:	
Governmental funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This cost of capital assets recorded in the current period is	32,719
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	(145,092)
Payments on Long-term Debt are shown as expenditures in the Governmental Funds; however, the payments reduce the Long-term Liabilities in the Statement of Net Position.	64,886
Change in Net Position, per Statement of Activities	$ (36,134)

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 4
Notes to Financial Statements
December 31, 2018

1. Introduction:

Natchitoches Parish Fire Protection District No. 4 (District) was created by the Natchitoches Parish Government, by ordinance in June 1982, under the provisions of Louisiana Revised Statutes 40:1492-1701, for the purpose of providing fire protection for the citizens of the District. The District is governed by a Board of Commissioners who are resident property taxpayers of the District. The commissioners are approved/appointed by the Natchitoches Parish Government. The District was created to acquire and maintain buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other such things necessary to provide proper fire protection and control within the District.

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of the District 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 Government is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of (a) the primary government, (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 Government 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 Parish Government 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 Parish Government.

2. Organizations for which the Parish Government does not appoint a voting majority but are fiscally dependent on the Parish Government.

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 Natchitoches Parish Government created, by ordinance, Fire District No. 4, the District was determined to be a component unit of the Natchitoches Parish Government, 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 Natchitoches Parish Government, 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 Position 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 Net Position presents the government-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

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 maintained is 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.

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-

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

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, 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 Position. 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, air packs	7 years
Radios	10 years
Fire trucks	15 years
Other vehicles	5 years
Buildings	40 years

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 position and displayed in three components:

a. Net investment in capital assets - 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 position - Consists of net resources with constraints placed on their 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 position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of $466,250. If applicable, the District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the District 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 requires 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.

3. Cash and Cash Equivalents:

The cash and cash equivalents of the District are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand.

Natchitoches Parish Fire Protection District No. 4
Notes to Financial Statements
December 31, 2018

Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

Bank account balances at December 31, 2018, totaled $310,025, and were fully secured by FDIC Insurance and pledged securities.

4. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2018, is as follows:

Governmental Activities	Balance 01-01-18	Additions	Deletions	Balance 12-31-18
Capital Assets Not Depreciated:				
Land	$ 39,352	$ 0	$ 0	$ 39,352
Construction in Progress	738,160	0	733,800	4,360
Total Capital Assets Not Depreciated	$ 777,512	$ 0	$733,800	$ 43,712
Capital Assets Depreciated:				
Furniture, computers	$ 2,043	$ 0	$ 0	$ 2,043
Firefighting equipment	195,501	32,719	0	228,220
Radios	82,016	0	0	82,016
Vehicles	547,150	733,800	0	1,280,950
Buildings	212,283	0	0	212,283
Total Capital Assets Depreciated	$1,038,993	$766,519	$ 0	$1,805,512
Total Assets	$1,816,505	$766,519	$733,800	$1,849,224
Less: Accumulated Depreciation:				
Furniture, computers	$ 1,874	$ 169	$ 0	$ 2,043
Firefighting equipment	95,563	22,828	0	118,391
Radios	56,005	12,393	0	68,398
Vehicles	394,675	99,053	0	493,728
Buildings	35,804	10,649	0	46,453
Total Depreciation	$ 583,921	$145,092	$ 0	$ 729,013
Net Capital Assets	$1,232,584	$621,427	$733,800	$1,120,211

Depreciation expense of $145,092 was charged to the public safety function.

5. Ad Valorem Taxes:

The District levies taxes on real and business personal property located within the boundaries of the District. 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.

Natchitoches Parish Fire Protection District No. 4
Notes to Financial Statements
December 31, 2018

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	March 3
Lien date	March 3
Tax Sale	May 15

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, 2016. Total assessed value was $13,732,023 in 2018. 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 $2,696,707 of the assessed value in 2018. For the year ended December 31, 2018, taxes of 20.0 mils were levied on the property and were dedicated to fire protection.

6. Long-Term Liabilities:

For the year ended December 31, 2017, the District, with approval of the State Bonding Commission and the Natchitoches Parish Council, issued $200,000 of Limited Tax Bonds, Series 2017. The future payments are as follows:

PAYMENT YEAR	TOTAL PAYMENT	INTEREST PAID	PRINICPAL PAID
2019	$ 10,426	$ 5,426	$ 5,000
2020	11,256	6,256	5,000
2021	11,094	6,094	5,000
2022	10,931	5,931	5,000
2023	11,769	5,769	6,000
2024 -2026	33,600	15,600	18,000
2027 - 2031	35,000	0	35,000
2032 - 2036	45,000	0	45,000
2037 - 2041	58,000	0	58,000
2042	13,000	0	13,000
Total	$240,076	$45,076	$195,000

Natchitoches Parish Fire Protection District No. 4
Notes to Financial Statements
December 31, 2018

The principal installments shall bear interest at the Wall Street Prime Rate minus one percent (1%) with the rate for the principal installments falling due on March 1 of the years 2018 to 2027 determined as of the date of delivery of the Bond and the rate for the principal installments falling due on March 1 of the years 2028 to 2042 to be determined on March 1, 2028, with a minimum interest rate on all principal installments to be not less than three percent (3%) and the maximum rate on all principal installments to not exceed five percent (5%).

For the year ended December 31, 2017, the District entered into a capital lease/purchase agreement with Government Capital Corporation for three new fire trucks at a cost of $244,600 each for a total of $733,800 with an interest rate of 3.495%. The future minimum lease payments are as follows:

PAYMENT YEAR	TOTAL PAYMENT	INTEREST PAID	PRINICPAL PAID
2019	$ 74,846	$ 23,554	$ 51,292
2020	74,846	21,761	53,085
2021	74,846	19,906	54,940
2022	74,846	17,986	56,860
2023	74,846	15,998	58,848
2024 - 2028	374,230	47,662	326,568
2029	74,846	2,528	72,318
Total	$823,306	$149,395	$673,911

7. Pending Litigation:

There were no civil suits seeking damages against the District outstanding at December 31, 2018.

8. Related Party Transactions:

The District had no identified related party transactions for the year ended December 31, 2018.

9. Compensation Paid to Board Members:

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

10. Receivables:

The following is a summary of receivables at December 31, 2018:

Class of Receivable	General Fund
Taxes-	
Ad Valorem	$198,677

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

11. Subsequent Events:

Management has evaluated events through April 25, 2019, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

SUPPLEMENTARY INFORMATION

Natchitoches Parish Fire Protection District No. 4
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES:				
Taxes-				
Ad Valorem	$ 205,000	$205,000	$ 211,142	$ 6,142
Intergovernmental-				
Fire Insurance Rebate	7,200	7,000	7,022	22
Grant	4,500	40,462	40,450	(12)
Miscellaneous-				
Other	0	0	1,800	1,800
Donated Assets	0	0	70	70
Interest	200	150	177	27
Total Revenues	$ 216,900	$252,612	$ 260,661	$ 8,049
EXPENDITURES:				
Public Safety-				
Public Safety	$ 5,000	$ 400	$ 400	$ 0
Office	1,350	1,750	1,780	(30)
Fuel	2,500	2,500	2,486	14
Maint. & Repair Equipment	13,500	40,800	37,596	3,204
Insurance	19,500	20,200	20,190	10
Accounting	2,600	7,100	7,100	0
Utilities	4,500	5,300	5,000	300
Travel	1,500	2,000	1,862	138
Training	2,500	3,200	3,595	(395)
Debt Service-Principal	85,144	79,846	64,886	14,960
Debt Service-Interest	0	5,426	20,386	(14,960)
Equipment-Other	15,000	101,439	50,577	50,862
Capital Outlay-Equipment	0	0	32,719	(32,719)
Capital Outlay-Station	229,270	5,000	731	4,269
Total Expenditures	$ 382,364	$274,961	$ 249,308	$ 25,653
Excess (Deficiency) of Revenues over Expenditures	$(165,464)	$ (22,349)	$ 11,353	$ 33,702
Fund Balance-Beginning of Year	491,190	491,190	491,190	0
Fund Balance-End of Year	$ 325,726	$468,841	$ 502,543	$ 33,702

See notes to financial statements.

Natchitoches Parish Fire Protection District No. 4
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018

Agency Head Name: Hulen Clark, Chairman

Purpose	Amount
Salary	$0
Benefits-Insurance	0
Benefits-Retirement	0
Deferred Compensation	0
Benefits-Other	0
Car allowance	0
Vehicle provided by government	0
Cell phone	0
Dues	0
Vehicle rental	0
Per Diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	0
Total	$0

See independent accountant's report.

OTHER REPORTS

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Natchitoches Parish Fire
Protection District No. 4
P. O. Box 62
Cloutierville, Louisiana 71468

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Natchitoches Parish Fire Protection District No. 4 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Natchitoches Parish Fire District No. 4's compliance with certain laws and regulations during the year ended December 31, 2018, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding $30,000, or public works exceeding $150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

   No expenditures were found to be in violation.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1524 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

   Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

   Not applicable.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

   Not applicable.

BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

   Management provided us with a copy of the original budget. There were two amendments to the budget during the year.

6. Trace the budget and amendment adoption to the minute book.

   We traced the adoption of the budget and amendments to the minutes of the District. They were adopted by a unanimous decision.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

   Revenues and expenditures were within the 5% variance allowed.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

   (a) trace payments to supporting documentation as to proper amount and payee:

   We examined supporting documentation for each of the six disbursements and found that the payments were for the proper amount and made to the correct payee.

   (b) determine if payments were properly coded to the correct fund and general ledger account:

   Each disbursement appeared to be coded correctly.

   (c) determine whether payments received approval from proper authorities:

   Inspection of supporting documentation showed written approval. In addition, non-recurring entries were discussed and approved in the minutes.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

   The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

    We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness that had not been approved by the State Bond Commission.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

    Not applicable.

Our prior report, dated June 15, 2018, contained two comments. Violation of Local Government Budget Act, which was resolved during the current year, and Segregation of Duties which was not resolved.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Natchitoches Parish Fire Protection District No. 4 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway, & Todtenbier, CPA's

April 25, 2019
Natchitoches, Louisiana

NATCHITOCHES PARISH
FIRE PROTECTION DISTRICT NO. 4

LOUISIANA ATTESTATION QUESTIONNAIRE

Thomas, Cunningham, Broadway & Todtenbier, CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ✓ No ___

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ✓ No ___

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ✓ No ___

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ✓ No ___

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ✓ No ___

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ✓ No ___

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ✓ No ___

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ✓ No ___

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes ✓ No ___

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ✓ No ___

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ✓ No ___

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ✓ No ___

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ✓ No ___

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes ✓ No ___

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ✓ No ___

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes ✓ No ___

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes ✓ No ___

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes ✓ No ___

Signed by and title James A. [signature] Sec - Treas.

T | C | B | T
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April 25, 2019

Natchitoches Parish Fire
Protection District No. 4
P.O. Box 430
Provencal, Louisiana 71468

RE: Management Letter
Review Report – December 31, 2018

We have performed our review of the Natchitoches Parish Fire District No. 4 and have applied certain agreed-upon procedures. As part of those procedures, we have the following information to report to you:

1. The District does not have a sufficient number of employees to adequately separate accounting duties or to prepare the District's annual financial statements with related note disclosures.

2. The District is not in compliance with the covenants of the 2017 Series, Limited Tax Bond. The District failed to make payment to the sinking fund as required by bond covenants.

Sincerely,

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway, & Todtenbier, CPA's

Natchitoches Parish Fire District No. 4
P. O. Box 430
Provencal, Louisiana 71468

April 25, 2019

Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804

RE: Management Letter Response
Review Report – December 31, 2018

The following is our response to the management letter issued to us by the firm Thomas, Cunningham, Broadway & Todtenbier, CPA's for the year ended December 31, 2018.

Management's Corrective Action Plan

1. It is not economically feasible to add a sufficient number of employees to adequately segregate accounting duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of the District to have our independent auditors prepare our annual financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.

2. The District will make immediate payment to the sinking fund for 2019 and institute procedures to ensure that the sinking fund payment is made upon receipt of the first property tax revenues each year.

Sincerely,

James A. Dupree
Fire District 4
Secretary - Treasurer

Natchitoches Parish Fire Protection District No. 4
Status of Prior Year Audit Findings
Year Ended December 31, 2018

For the year ended December 31, 2017, the District had the following internal control finding:

2017-001 Segregation of Duties

Condition – The segregation of duties is inadequate to provide effective internal control.

Status – This finding was not cleared, see Management Letter for 2018.

For the year ended December 31, 2017, the District had the following compliance finding:

2017-002 Compliance with Local Government Budget Act

Condition - Actual expenditures exceeded budgeted expenditures by more than the 5% variance allowed and the budget was not amended.

Status – The finding was cleared as of December 31, 2018.