

**NATCHITOCHEs PARISH FIRE
PROTECTION DISTRICT #3
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2018**

NATCHITOCHE PARISH FIRE PROTECTION DISTRICT #3
CLARENCE, LOUISIANA
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DECEMBER 31, 2018

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Accountant's Report

The Board of Directors
Natchitoches Parish Fire Protection District #3
P.O. Box 138
Clarence, Louisiana 71414

We have compiled the accompanying financial statements of the Natchitoches Parish Fire Protection District #3, Clarence, Louisiana, a governmental fund, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We have not audited or reviewed the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion or provide any assurance about whether the basic financial statements are in accordance with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that Summary of Schedule of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds - Budget (GAAP Basis) and Actual on page xvii be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management 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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to the Natchitoches Parish Fire Protection District #3.

Hines, Squyres, and Associates, LLC

Natchitoches, Louisiana

June 5, 2019

- MEMBERS -

American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

NATCHITOCHE PARISH FIRE PROTECTION DISTRICT #3
CLARENCE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

ASSETS	
Current Assets	
Cash	
Checking	\$ 369,093
Total Cash	369,093
Prepaid Expenses	0
Accounts Receivable	<u>104,131</u>
Total Current Assets	473,224
Noncurrent Assets	
Capital Assets, net	144,224
Land	<u>4,500</u>
Total Assets	<u>\$ 621,948</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Current Liabilities	0
Accounts payables and accruals	<u>0</u>
Total Liabilities	0
NET POSITION	
Investment in capital assets, Net of related debt	148,724
Unrestricted net position	<u>473,224</u>
Total Net Position	621,948
Total Liabilities and Net Position	<u>\$ 621,948</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

NATCHITOCHE PARISH FIRE PROTECTION DISTRICT #3
 CLARENCE, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Expense	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution	Revenue and Changes in Net Position
	\$	\$	\$	\$	\$
General Government					
Personal services	0	0	0	0	0
Travel	1,179	4,912	0	0	3,733
Operating services	23,017	89,496	0	0	66,479
Supplies	2,208	8,731	0	0	6,523
Professional services	1,500	6,003	0	0	4,503
Bad Debt	11,638	0	0	0	(11,638)
Depreciation	35,490	0	0	0	(35,490)
Total General Government	<u>\$ 75,032</u>	<u>\$ 109,142</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 34,110</u>
General Revenues					<u>11</u>
Interest income					<u>34,121</u>
Total General Revenues					34,121
Change in Net Position					<u>587,827</u>
Net Position, Beginning of year					<u>\$ 621,948</u>
Net Position, End of year					

The accompanying notes are an integral part of this statement.

EXHIBIT C

NATCHITOCHE PARISH FIRE PROTECTION DISTRICT #3
CLARENCE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

ASSETS

Cash	\$	369,093
Prepaid Expenses		0
Accounts receivable		<u>104,131</u>
Total Assets	\$	<u>473,224</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable and accruals	\$	0
Total Liabilities		<u>0</u>

FUND BALANCES

Unassigned		<u>473,224</u>
Total Fund Balances		<u>473,224</u>
Total Liabilities and Fund Balances	\$	<u>473,224</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH FIRE PROTECTION DISTRICT #3
CLARENCE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total Fund Balances for Governmental Funds (Exhibit C)		\$	473,224
Total Net Position reported for governmental activities in the statement of net position is different because:			
<p style="margin-left: 40px;">Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:</p>			
Trucks and Automobiles, net of \$352,817 in accumulated depreciation			18,543
Equipment and Office Equipment, net of \$92,497 in accumulated depreciation			63,611
Buildings and Building Improvements, net of \$52,431 in accumulated depreciation			62,070
Land, net of \$0 in accumulated depreciation			4,500
Total Capital Assets			148,724
<p style="margin-left: 40px;">Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.</p>			
			0
Total Net Position of Governmental Activities (Exhibit A)		\$	621,948

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH FIRE PROTECTION DISTRICT #3
CLARENCE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES		
Tax Millage	\$	104,490
Fire Insurance Tax		4,652
Interest		<u>11</u>
Total Revenues		109,153
EXPENDITURES		
General Government		
Personal Services		0
Travel		1,179
Operating Services		23,017
Supplies		2,208
Professional Services		1,500
Bad Debt		<u>11,638</u>
Total Expenditures		39,542
Excess/(Deficiency) of Revenues Over Expenditures	\$	69,611
Fund Balance, Beginning of year		<u>718,525</u>
Fund Balance, End of year	\$	<u>788,136</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH FIRE PROTECTION DISTRICT #3
CLARENCE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ 69,611
The change in Net Position 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 those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$35,490) exceeds capital outlay (\$0) in the current period.	(35,490)
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>0</u>
Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 34,121</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEES PARISH FIRE PROTECTION DISTRICT #3
CLARENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

The Natchitoches Parish Fire Protection District #3 was created from the Clarence Fire Department in 1989. The Fund began operating in 1989. The Natchitoches Parish Fire Protection District #3 encompasses Natchitoches Parish, Louisiana.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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 entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Natchitoches Parish Fire Protection District #3 present information only as to the transactions of the programs of the Natchitoches Parish Fire Protection District #3 as authorized by Louisiana statutes and administrative regulations.

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

The accounts of the Natchitoches Parish Fire Protection District #3 are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Natchitoches Parish Fire Protection District #3 prepares and adopts a budget prior to January 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Fund amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

NATCHITOCHEES PARISH FIRE PROTECTION DISTRICT #3
CLARENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

C. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2018, \$11,638 was considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Natchitoches Parish Fire Protection District #3 is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensation

The Fund had no employees as of and during the year ended December 31, 2018. There was no compensation, reimbursement, benefits, or other payments to agency heads, political subdivision head, or chief executive officer. The Fund had no employees, thus no compensated absences apply.

H. Restricted Net Position

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

1. Investment 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 attributed to the acquisition, construction, or improvement of those assets.
2. Restricted net position - net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - all other net position is reported in this category.