

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

**FINANCIAL REPORT  
JUNE 30, 2017**

Natchitoches Parish Fire Protection District No. 10  
Financial Report  
June 30, 2017

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### INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Natchitoches Parish Fire  
Protection District No. 10  
P. O. Box 164  
Powhatan, LA 71066

Management is responsible for the accompanying financial statements of the governmental activities and major fund of the Natchitoches Parish Fire Protection District No. 10, as of and for the year ended June 30, 2017, which collectively comprise the District'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 did not audit or review the 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, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, 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. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The supplementary information contained in the Schedule of Compensation, Benefits, and Other Payments to Agency Head of Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

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

October 19, 2017  
Natchitoches, LA 71457

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 10  
Statement of Net Position  
June 30, 2017

	Governmental <u>Activities</u>
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$202,839
Non-current Assets:	
Capital Assets (Net)	<u>98,018</u>
Total Assets	<u>\$300,857</u>
LIABILITIES:	\$ <u>0</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 98,018
Unrestricted	<u>202,839</u>
Total Net Position	<u>\$300,857</u>

See accompanying notes and independent accountant's compilation report.

Natchitoches Parish Fire Protection District No. 10  
Statement of Activities  
June 30, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u> <u>Governmental Activities</u>
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public Safety	<u>\$32,559</u>	<u>\$0</u>	<u>\$2,259</u>	<u>\$(30,300)</u>
General Revenues:				
		Taxes-		
		Ad Valorem		\$ 42,546
		Miscellaneous		14
		Total General Revenues		<u>\$ 42,560</u>
		Change in Net Position		\$ 12,260
		Net Position July 1, 2016		<u>288,597</u>
		Net Position June 30, 2017		<u>\$300,857</u>

See accompanying notes and independent accountant's compilation report.

## FUND FINANCIAL STATEMENTS



Natchitoches Parish Fire Protection District No. 10  
Balance Sheet-Governmental Fund  
June 30, 2017

Assets:

Cash & Cash Equivalents \$202,839

Liabilities: \$ 0

Fund Balance:

Unassigned 202,839

Total Liabilities and Fund Balance \$202,839

See accompanying notes and independent accountant's compilation report.

Natchitoches Parish Fire Protection District No. 10  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
June 30, 2017

Total Fund Balance for the Governmental Fund at June 30, 2017	\$ 202,839
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Fund Financial Statements. These assets consist of:	
Equipment, Buildings, and Vehicles	308,966
Less: Accumulated Depreciation	<u>(210,948)</u>
Total Net Position of Governmental Activities at June 30, 2017	<u>\$ 300,857</u>

See accompanying notes and independent accountant's compilation report.

Natchitoches Parish Fire Protection District No. 10  
Statement of Revenues, Expenditures and Change in Fund Balance-  
For the Year Ended June 30, 2017

REVENUES:	
Taxes-	
Ad Valorem	\$ 42,546
Miscellaneous	<u>2,273</u>
Total Revenues	<u>\$ 44,819</u>
EXPENDITURES:	
Public Safety-	
Current-	
Operating Expense	\$ 2,299
Insurance	4,464
Buildings & Grounds	550
Utility/Telephone	922
Per Diem	<u>2,130</u>
Total Expenditures	<u>\$ 10,365</u>
Excess of Revenues Over Expenditures	\$ 34,454
Fund Balance-Beginning of Year	<u>168,385</u>
Fund Balance-End of Year	<u>\$202,839</u>

See accompanying notes and independent accountant's compilation report.

Natchitoches Parish Fire Protection District No. 10  
Reconciliation of the Statement of Revenues, Expenditures  
and Change in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended June 30, 2017

Total Net Change in Fund Balance-Governmental Fund	\$ 34,454
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
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	<u>(22,194)</u>
Change in Net Position per Statement of Activities	<u>\$ 12,260</u>

See accompanying notes and independent accountant's compilation report.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2017

Introduction:

Fire Protection District No. 10, of Natchitoches Parish, Louisiana, was created in June 1982, by ordinance of the Natchitoches Parish Government. The District is governed by a Board of Commissioners comprised of 5 members. Two members are appointed by the Natchitoches Parish Government, 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.

1. 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 Government is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of (a) the primary government (parish 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.

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.

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2017

Because the parish government created by ordinance Fire District No. 10, 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 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-

The District's statements are prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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.

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2017

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.



Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2017

#### 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, airpacks	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".

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2017

When an expense is incurred for the purposes for which both restricted and unrestricted net resources are available, management applies unrestricted resources first, unless a determination is made to use restricted 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 \$202,839. 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 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, 2017

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Natchitoches Parish Fire Protection District No. 10 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. 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 June 30, 2017, totaled \$202,916, and were fully secured by FDIC Insurance.

3. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2017, is as follows:

Governmental Activities	Balance <u>07-01-16</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06-30-17</u>
Capital Assets, Depreciated:				
Firefighting equipment	\$ 16,493	\$ 0	\$0	\$ 16,493
Fire trucks	257,423	0	0	257,423
Buildings	<u>35,050</u>	<u>0</u>	<u>0</u>	<u>35,050</u>
Total Assets	<u>\$308,966</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$308,966</u>
Less: Accumulated Depreciation:				
Firefighting equipment	\$ 16,493	\$ 0	\$0	\$ 16,493
Fire trucks	141,589	20,441	0	162,030
Buildings	<u>30,672</u>	<u>1,753</u>	<u>0</u>	<u>32,425</u>
Total Depreciation	<u>\$188,754</u>	<u>\$ 22,194</u>	<u>\$0</u>	<u>\$210,948</u>
Net Capital Assets	<u>\$120,212</u>	<u>\$(22,194)</u>	<u>\$0</u>	<u>\$ 98,018</u>

Depreciation expense of \$22,194 was charged to the public safety function.

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2017

4. 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.

<u>Property Tax Calendar</u>	
Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	June 30
Penalties and interest added	January 31
Lien date	January 31
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 \$5,485,836 in 2016. 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 \$333,560 of the assessed value in 2016. For the year ended June 30, 2017, taxes of 8.59 mils were levied on the property and were dedicated to fire protection.

5. Pending Litigation:

There were no civil suits seeking damages against the District outstanding at June 30, 2017.

7. Related Party Transactions:

The District had no identified related party transactions for the year ended June 30, 2017.

Natchitoches Parish Fire Protection District No. 10  
Notes to Financial Statements  
June 30, 2017

8. Compensation Paid to Board Members:

<u>Name</u>	<u>Amount</u>
James Wagley	\$ 420
Bessie Winn	420
Tremain Trenair	420
Bobby Outlaw	420
Ned Henry	<u>450</u>
Total	<u>\$2,130</u>

9. Subsequent Events:

Management has evaluated events through October 19, 2017, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Natchitoches Parish Fire Protection District No. 10  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Ad Valorem Taxes	\$ 45,000	\$ 42,546	\$(2,454)
Intergovernmental	<u>0</u>	<u>2,273</u>	<u>2,273</u>
Total Revenues	\$ <u>45,000</u>	\$ <u>44,819</u>	\$ <u>(181)</u>
EXPENDITURES:			
Public Safety-			
Current-			
Operating Expense	\$ 1,748	\$ 2,299	\$ (551)
Insurance	4,500	4,464	36
Maintenance & Repairs	300	0	300
Buildings & Grounds	500	550	(50)
Utility/Telephone	1,004	922	82
Per Diem	<u>2,160</u>	<u>2,130</u>	<u>30</u>
Total Expenditures	\$ <u>10,212</u>	\$ <u>10,365</u>	\$ <u>(153)</u>
Excess of Revenues over Expenditures	\$ 34,788	\$ 34,454	\$ (334)
Fund Balance-Beginning of Year	<u>168,385</u>	<u>168,385</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>203,173</u>	\$ <u>202,839</u>	\$ <u>(334)</u>

See independent accountant's compilation report.

Natchitoches Parish Fire Protection District No. 10  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2017

Agency Head Name: Ned Henry, Chairman

<u>Purpose</u>	<u>Amount</u>
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	450
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$450</u>

See independent accountant's compilation report.



Natchitoches Parish Fire Protection District No. 10  
Status of Prior Year Management Letter  
June 30, 2017

For the year ended June 30, 2016, the District's budget was not amended when actual expenditures exceeded budgeted expenditures by more than the 5% variance allowed.

For the year ended June 30, 2017, this finding is cleared.