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**CADDO PARISH FIRE DISTRICT NO. 6**  
**KEITHVILLE, LOUISIANA**

**ANNUAL FINANCIAL REPORT**  
**DECEMBER 31, 2003**

*Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.*

Release Date 8-11-04

**MARSHA O. MILLICAN**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**SHREVEPORT, LOUISIANA**

**CADDO PARISH FIRE DISTRICT NO. 6**  
**Keithville, Louisiana**

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# **Marsha O. Millican**

CERTIFIED PUBLIC ACCOUNTANT

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Board of Commissioners  
Caddo Parish Fire District No. 6  
Keithville, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Parish Fire District No. 6, a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Caddo Parish Fire District No. 6's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Parish Fire District No. 6, as of December 31, 2003, and the respective changes in financial position for year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 26, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with *Governmental Auditing Standards*, I have also issued a report dated June 8, 2004, on my consideration of Caddo Parish Fire District No. 6's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

*Martha McLean*

Certified Public Accountant  
June 8, 2004

# CADDO PARISH FIRE DISTRICT NO. SIX

P. O. BOX 292  
KEITHVILLE, LA 71047  
PHONE # 318-925-8791  
FAX # 318-925-8799  
FID#: 72-1037843

BARBARA MC GOWAN, BOARD CHAIRMAN  
PAUL IBLINGS JERRY TAYLOR RUPERT SEPULVADO  
DAMON JOHNSON, Fire Chief

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Caddo Parish Fire District No. 6's annual financial report presents my discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2003. Please read it in conjunction with the District's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments* issued in June 1999.

### FINANCIAL HIGHLIGHTS

The District moved into its new building located at 11450 Old Mansfield Road in Keithville, Louisiana in 2003.

During the year ended December 31, 2003, the District received a FEMA grant in the amount of \$49,770 for bunker gear.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements. These components are described below:

#### *Basic Financial Statements*

The basic financial statements include two kinds of financial statements that present different views of the District - the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

## Government-wide Financial Statements

The government-wide financial statements provide a broad view of the District's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the District's financial position, which assists users in assessing the District's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid. The government wide financial statements include two statements:

- The *statement of net assets* presents all of the District's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the District's net assets 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 assets changed during the most recent year. All changes in net assets 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 (such as uncollected property taxes and structure fees) and some expenses that are reported in this statement will not result in cash flows until future years.

The government-wide financial statements can be found immediately following this discussion and analysis.

## Fund Financial Statements

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- *Governmental funds financial statements.* The services provided by the District are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental financial statement.

The District has three governmental funds; all are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The District's three governmental funds are: the General Fund, the Capital Project Fund, and the Debt Service Fund.



The governmental funds financial statements can be found immediately following the government-wide financial statements.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the government funds financial statements.

**Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule, which includes reconciliation between the statutory fund balance for budgetary purposes and the fund balance of the General Fund as presented in the governmental fund financial statements.

**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES**

*Net Assets*

Net assets may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$634,317 as of December 31, 2003.

\$132,013 (21%) of the District's net assets reflects the district's investment in capital assets such as land, buildings and improvements, equipment, and furniture, less the related debt used to acquire those assets that is still outstanding. At December 31, 2003, there was a balance of \$605,000 due on general obligation bonds used to finance capital acquisitions. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending. Resources needed to repay the related debt will be provided through tax assessments on property located within the District.

\$104,878 (17%) of the District's net assets is restricted for debt service. These funds legally must be used to pay interest and principal on the outstanding general obligation bonds.

The largest portion of the District's net assets, \$397,426 (63%), is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors at the discretion of the Board of Directors. .

**Caddo Parish Fire District No. 6's Net Assets  
December 31,**

	<b>2003</b>	<b>2002</b>
Current assets	\$ 507,112	\$ 624,373
Capital assets	737,013	851,722
Other assets	<u>2,500</u>	<u>2,500</u>
Total assets	<u>1,246,625</u>	<u>1,478,595</u>
Current liabilities	7,308	6,873
Noncurrent liabilities	<u>605,000</u>	<u>675,000</u>
Total liabilities	<u>612,308</u>	<u>681,873</u>
Invested in capital assets, net of related debt	132,013	176,722
Restricted:		
Capital projects	-	18,051
Debt service	104,878	107,588
Unrestricted	<u>397,426</u>	<u>494,361</u>
Total net assets	<u>\$634,317</u>	<u>\$ 796,722</u>

### *Changes in Net Assets*

The District's net assets decreased by \$162,405 or 20.38% during the year ended December 31, 2003, due primarily of sustaining a loss of \$84,502 from the sale of the old fire station.. Approximately 42% (\$242,893) of the District's total revenue was derived through property taxes, while approximately 38% (\$225,252) was derived through charges for services (structure fees). Revenues were generally consistent with the prior year except that interest income decreased during 2003 because of a reduction in the amount of funds invested in LAMP due to the acquisition of capital assets. Expenses incurred by the District are primarily for the provision of fire protection and emergency medical treatment to the citizens of the District. Approximately 35% (\$207,046) of the District's expenses are for salaries and related payroll taxes and employee benefits.

In 2003, governmental activity expenses exceeded program revenues, resulting in the use of \$279,537 in general revenues (mostly property taxes).

#### **Caddo Parish Fire District No. 6's Changes in Net Assets For the Year Ended December 31, 2003 Governmental Activities**

	<u>2003</u>	<u>2002</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 225,252	\$ 190,721
Operating grants and contributions	88,900	40,692
General revenues:		
Property taxes	242,893	262,397
Interest	8,457	11,906
Gain (Loss) on Asset Sale	( 146,785)	-
Other	<u>12,567</u>	<u>3,862</u>
Total revenues	<u>431,284</u>	<u>509,578</u>
<b>Expenses:</b>		
Public safety - fire protection	560,365	421,301
Interest on long-term debt	<u>33,324</u>	<u>38,515</u>
Total expenses	<u>593,689</u>	<u>459,816</u>
Increase(Decrease) in net assets	( 162,405)	49,762
Net assets, beginning of year	<u>796,722</u>	<u>746,960</u>
Net assets, end of year	<u>\$ 634,317</u>	<u>\$ 796,722</u>

### **FINANCIAL ANALYSIS OF THE DISTRICT'S INDIVIDUAL FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### ***Governmental Funds***

The focus of the District's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.



As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$454,135, a decrease of \$103,582 compared to the prior year. This reduction in combined fund balances is primarily due to the acquisition of capital assets totaling \$115,342 which are recorded as expenditures by the individual funds and reduce the related fund balances.

The majority of the combined ending fund balances, \$352,556 or approximately 78%, is unreserved and available for spending in the coming year. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to pay debt service, or (2) to purchase capital assets.

The general fund is the chief operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved general fund balance as of December 31, 2003, (\$395,576) represents 77% of the total general fund expenditures (\$514,058) for the year ended December 31, 2003. The fund balance of the general fund decreased by \$53,083 during 2003. This is approximately a 12% decrease from the prior year.

The fund balance of the District's capital projects fund is a deficit of \$36,799. This decrease in fund balance is primarily due to the purchase of capital assets costing \$56,342.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the District complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.).

The District's budget was amended during 2003.

The actual expenditures were \$35,720 more than the final budget amounts.

Revenues available for expenditure were \$94,431 above the final budgeted amounts.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

##### ***Capital Assets***

The District's investment in capital assets for its governmental activities as of December 31, 2003, totaled \$1,151,838, net of accumulated depreciation of \$414,825, leaving a book value of \$737,013. This investment in capital assets includes fire stations (land, buildings and improvements), fire trucks, emergency response vehicles, fire fighting and rescue equipment, office equipment and furniture (equipment and furniture).

Actual costs to construct and purchase capital assets was \$115,34 for the year. Depreciation charges for the year totaled \$98,549.

##### ***Debt Administration***

The District's outstanding general obligation bond was issued in August 1, 2000 in the original amount of \$800,000. The obligation is secured by the ability of the District to levy property taxes to ensure payment of the debt and was approved by a vote of the citizens of the District.

The District incurred no additional long-term debt during 2003 and its total long-term debt decreased by \$70,000, the amount of the annual principal maturity of the Series 2000 General Obligation Bond.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following economic factors were considered when the budget for the fiscal year ended December 31, 2003 was prepared.

- The District's employer contribution for retirement for firefighters ranged from 9% to 18.25% and is expected to increase further in 2004. This will significantly increase the expense incurred by the District to provide retirement benefits for eligible employees.
- The Central Station was completed in 2003. However, improvements are still being made to the building and grounds in 2004.
- On November 18, 1995, the voters of the District approved the levying of a \$75 service charge (structure fee) for each residential or commercial structure. The District placed the renewal of this service charge on the November, 2003 ballot. The renewal did not pass. The District plans to place the renewal on the July, 2004 ballot. The 2004 budget reflects a stringent spending guideline due to the possibility that the service charge fee will not be renewed by the voters.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the finances of the Caddo Parish Fire District No. 6 for all of the District's citizens, taxpayers, investors, and creditors. This financial report seeks to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Damon Johnson, Fire Chief, Caddo Parish Fire District No. 6, P. O. Box 292, Keithville, Louisiana 71047, or by calling (318) 925-8791.

**CADDO PARISH FIRE DISTRICT 6**

Statement of Net Assets  
December 31, 2003

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 7,276
Investments	70,501
Ad valorem taxes receivable - net	227,025
Fire protection service charges receivable - net	198,389
Prepaid insurance	3,921
Refundable deposits	2,500
Capital assets - net of accumulated depreciation	<u>737,013</u>
 Total Assets	 <u>1,246,625</u>
<b>Liabilities</b>	
Accounts payable	5,748
Payroll withholdings and accruals	1,560
Long term liabilities:	
Payable within one year	75,000
Payable after one year	<u>530,000</u>
 Total Liabilities	 <u>612,308</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	132,013
Restricted for:	
debt service	104,878
Unrestricted	<u>397,426</u>
 <u>Total Net Assets</u>	 <u>\$ 634,317</u>

**The notes to the financial statements are an integral part of this statement.**

**CADDO PARISH FIRE DISTRICT 6**

Statement of Activities  
For the Year Ended December 31, 2003

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total</u>
<b>Governmental Activities:</b>			
Public safety-fire protection	\$ 225,252	\$ 88,900	\$ (246,213)
Interest on long term debt	<u>33,324</u>	<u>-</u>	<u>(33,324)</u>
	<u>\$ 560,365</u>		
	<u>\$ 593,689</u>	<u>\$ 88,900</u>	<u>(279,537)</u>
<b>Total Governmental Activities</b>			
<b>General Revenues:</b>			
Taxes:			
Ad valorem taxes			242,893
Interest earned			8,457
Gain (Loss) on sale of assets			(146,785)
Miscellaneous			<u>12,567</u>
Total General Revenues			<u>117,132</u>
Change in Net assets			( 162,405)
Net Assets, beginning of year			<u>796,722</u>
Net Assets, end of year			<u>\$ 634,317</u>

The notes to the financial statements are an integral part of this statement.

**CADDO PARISH FIRE DISTRICT 6**

Balance Sheets  
Governmental Funds  
December 31, 2003

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 7,276	\$ -	\$ 7,276
Investments	-	-	70,501	70,501
Ad valorem taxes receivable - net	110,947	116,078	-	227,025
Fire protection service charges receivable-net	198,389	-	-	198,389
Due from other funds	125,776	-	4,785	130,561
Prepaid insurance	3,921	-	-	3,921
Refundable deposits	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
<b>Total Assets</b>	<u><b>\$ 441,533</b></u>	<u><b>\$ 123,354</b></u>	<u><b>\$ 75,286</b></u>	<u><b>\$ 640,173</b></u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 5,748	\$ -	\$ -	\$ 5,748
Payroll withholdings and accruals	1,560	-	-	1,560
Due to other funds	-	18,476	112,085	130,561
Deferred revenue	<u>38,649</u>	<u>9,520</u>	<u>-</u>	<u>48,169</u>
<b>Total Liabilities</b>	<u><b>45,957</b></u>	<u><b>27,996</b></u>	<u><b>112,085</b></u>	<u><b>186,038</b></u>
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Debt service	-	95,358	-	101,579
Unreserved and undesignated	<u>395,576</u>	<u>-</u>	<u>( 36,799)</u>	<u>352,556</u>
<b>Total Fund Balances</b>	<u><b>395,576</b></u>	<u><b>95,358</b></u>	<u><b>( 36,799)</b></u>	<u><b>454,135</b></u>
<b>Total Liabilities and Fund Balances</b>	<u><b>\$ 441,533</b></u>	<u><b>\$ 123,354</b></u>	<u><b>\$ 75,286</b></u>	<u><b>\$ 640,173</b></u>

The notes to financial statements are an integral part of this statement.

**CADDO PARISH FIRE DISTRICT 6**

Reconciliation of Fund Balances on the Balance Sheets  
for Governmental Funds to Net Assets of  
Governmental Activities on the Statement of Net Assets  
For the Year Ended December 31, 2003

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**Fund Balances - Total Governmental Funds** \$ 454,135

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Add - capital assets 1,151,838  
Deduct - accumulated depreciation (414,825)

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - Series 2000 Bonds payable (605,000)

Some of the property tax revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds 48,169

**Net Assets of Governmental Activities** \$ 634,317

**The notes to financial statements are an integral part of this statement.**



**CADDO PARISH FIRE DISTRICT 6**

Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2003

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 110,106	\$ 114,166	\$ -	\$ 224,272
Fire protection service fees	<u>195,704</u>	<u>-</u>	<u>-</u>	<u>195,704</u>
Intergovernmental revenues:				
State fire insurance rebate	14,600	-	-	14,600
Grants	49,770	-	-	49,770
State revenue sharing	10,130	-	-	10,130
State supplemental pay	14,400	-	-	14,400
Total intergovernmental revenues	<u>88,900</u>	<u>-</u>	<u>-</u>	<u>88,900</u>
Interest earned	6,698	267	1,492	8,457
Sale of assets	47,000	-	-	47,000
Miscellaneous revenue	12,567	-	-	12,567
Total miscellaneous revenue	<u>66,265</u>	<u>267</u>	<u>1,492</u>	<u>68,024</u>
Total Revenues	<u>460,975</u>	<u>114,433</u>	<u>1,492</u>	<u>576,900</u>
<b>Expenditures:</b>				
Current:				
Fire protection	455,058	6,758		461,816
Debt service:				
Principal	-	70,000	-	70,000
Interest	-	33,324	-	33,324
Capital Outlay	59,000	-	56,342	115,342
Total expenditures	<u>514,058</u>	<u>110,082</u>	<u>56,342</u>	<u>680,482</u>
<b>Net change in fund balances</b>	(53,083)	4,351	(54,850)	(103,582)
<b>Fund balances, beginning</b>	<u>448,659</u>	<u>91,007</u>	<u>18,051</u>	<u>557,717</u>
<b>Fund balances, ending</b>	<u>\$ 395,576</u>	<u>\$ 95,358</u>	<u>\$ (36,799)</u>	<u>\$ 454,135</u>

The notes to the financial statements are an integral part of this statement.

**CADDO PARISH FIRE DISTRICT 6**

**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, 2003**

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Amounts reported for governmental activities in the statement of activities are different because:

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (103,582)</b>
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 and reported as depreciation expense. This is the amount by which capital outlays (\$115,342) exceed depreciation expense (\$ 98,549) in the current period and the difference between the gain on sale of assets (- \$193,785).	(176,992)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities.	70,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	18,621
Service charges (structure fees)	<u>29,548</u>
<b><u>Change in Net Assets of Governmental Activities</u></b>	<b><u>\$(162,405)</u></b>

**The notes to financial statements are an integral part of this statement.**

## CADDO PARISH FIRE DISTRICT 6

Notes to Financial Statements  
December 31, 2003

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### INTRODUCTION

The Caddo Parish Fire District No. 6 ("the District") was created by the Caddo Parish Commission by ordinance as provided under the Louisiana Revised Statutes 40:1496. The District is comprised of property in Southwest Caddo Parish and is governed by a board of commissioners, who are appointed by the Caddo Parish Commission. The purpose of the District is to provide fire protection and emergency services to residents of the District.

#### **1. Summary of Significant Accounting Policies:**

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

For the year ended December 31, 2002, the District implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and Government Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

#### **Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity is financial accountability. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

The District is a component unit of the Caddo Parish Commission, the financial reporting entity. The Commission is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on the District.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**CADDO PARISH FIRE DISTRICT 6**  
*Notes to Financial Statements*  
December 31, 2003

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**1. Summary of Significant Accounting Policies (continued):**

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all nonfiduciary activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function segment, or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function, segment or component unit. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District consists of one program, fire protection.

Governmental fund financial statements are provided for the District. The District consists of three governmental funds.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

**Government-Wide Accounting** – In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Assets and a Statement of Activities for the District as a whole. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to the government-wide statements are as follows:

*Eliminating Internal Activity* – Interfund receivables and payables are eliminated in the Statement of Net Assets.

*Application of FASB Statements and Interpretations* – Reporting on governmental type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

*Capitalizing Assets* – Tangible or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, and buildings are recorded at their historical costs and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets

*Program Revenues* – The Statement of Activities presents two categories of program revenues - (1) charges for services; and (2) operating grants and contributions.

Charges for services are those revenues arising from exchange or exchange like transactions with external parties that purchase, use or directly benefit from the programs goods, services or privileges. Service charges (structure fees) are reported as charges for services.

Operating grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for operating purposes of a program. Supplemental salaries paid to the firefighters by the State of Louisiana, state revenue sharing, and fire insurance rebates are reported as operating grants and contributions.

**CADDO PARISH FIRE DISTRICT 6**  
Notes to Financial Statements  
December 31, 2003

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**1. Summary of Significant Accounting Policies (continued):**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

*Restricted Net Assets* – Restricted net assets are those for which a constraint has been imposed either externally or by law. Resources restricted for a specific purpose are exhausted before unrestricted net assets are used.

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements – The Governmental financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Principal revenue sources considered are susceptible to accrual include property taxes, service fees, and interest on investments. Other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

Interest on general long-term obligations is recognized when paid.

**Fund Accounting**

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including collection and disbursement of specific or legally restricted monies, the acquisition, construction or improvement of capital assets, and the servicing of long-term debt. Governmental funds of the District include:

General Fund – the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

Debt Service Fund – accounts for transactions relating to resources retained and used for the payment of principal and interest on the long-term obligations.

Capital Projects Fund – accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.



**CADDO PARISH FIRE DISTRICT 6**  
Notes to Financial Statements  
December 31, 2003

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**1. Summary of Significant Accounting Policies (continued):**

**Budgeting and Budgetary Control**

A budget for the ensuing year is prepared by the fire chief and approved by the board of commissioners prior to December 31<sup>st</sup> of each year. The proposed budget is prepared on a cash basis of accounting that is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The budget is legally adopted and amended, as necessary, by the board of commissioners. The board reserves all authority to make changes to the budgets. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The budget was amended in 2003. See "Exhibit 1".

Formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**Cash and Cash Equivalents**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**Investments**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District's investment policy. If the original maturities of time deposits exceed 90 days, they are classified as investments. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported as investment earnings. All investments of the District are held in the Louisiana Asset Management Pool.

**Use of Estimates**

The preparation of financial statements generally requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Capital Assets**

The District's assets are recorded at historical cost. Capital assets are recorded as expenditures in the governmental fund financial statements. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are charged to expense as incurred. Depreciation expense is recorded in the government-wide financial statements using the straight-line method over the useful lives of the assets. All assets of the District are reported in the accompanying financial statements.

**Compensated Absences**

Compensated absences for vacation and sick leave do not accrue past the calendar year and are not paid for if not taken.



**CADDO PARISH FIRE DISTRICT 6**  
Notes to Financial Statements  
December 31, 2003

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**1. Summary of Significant Accounting Policies (continued):**

**Long-term Obligations**

In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability reported on the Statement of Net Assets. In the fund financial statements, debt principal payments of the governmental funds are recognized as expenditures when paid.

**Receivables**

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectible accounts.

Governmental fund type receivables consist primarily of amounts due for property taxes and charges for service (structure fees).

**Deferred Revenue**

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Available is defined as due (or past due) at December 31, and collected within 60 days thereafter to pay obligations due at December 31.

**Net Assets/Fund Balances**

In the Statement of Net Assets, the differences between a government's assets and liabilities are recorded as net assets. The three components of net assets are as follows:

*Invested in Capital Assets, Net of Related Debt* – This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Assets* – This category records net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets.

*Unrestricted Net Assets* – This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

*Reserved* – The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

*Unreserved* – The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

**CADDO PARISH FIRE DISTRICT 6**  
Notes to Financial Statements  
December 31, 2003

**2. Cash and Cash Equivalents:**

At December 31, 2003, the District has cash and cash equivalents (book balances) totaling \$7,276 as follows:

	<u>Bank Balances</u>	<u>Book Balances</u>
Interest-bearing demand deposits	<u>\$ 62,595</u>	<u>\$ 7,276</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank that is mutually acceptable to both parties. At December 31, 2003, the District has \$ 7,276 in deposits (collected bank balances) that were fully secured from risk by federal deposit insurance.

**3. Investments:**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the District's name.
3. Uninsured or unregistered, with securities held by the counter party, or by its trust department or agent but not in the District's name.

Investments held by the District at December 31, 2003 consist of \$ 70,501 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification 150.126, the investment in LAMP at December 31, 2003 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

**CADDO PARISH FIRE DISTRICT 6**  
**Notes to Financial Statements**  
**December 31, 2003**

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**3. *Investments (continued):***

Effective August 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill 512, Act 701) enacted LSA – R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair market value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**4. *Ad Valorem Taxes and Structure Fees:***

The District levies taxes on real and business personal property within its boundaries on November 1<sup>st</sup> of each year. Property taxes are due before December 31<sup>st</sup> and attach as an enforceable lien on property as of January 1<sup>st</sup> of the following year. Property taxes are recorded as receivables and revenue in the year assessed to the extent that revenues are collected within 60 days after year-end. All levied taxes not received within 60 days after year-end are recorded as revenue when payment is received.

On April 29, 1995, the voters of the District authorized a ten (10) year ten (10) mill ad valorem tax. The purpose of the tax is for maintaining and operating fire protection facilities, purchasing fire trucks and other fire fighting equipment, and paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and services. The amount levied for 2003 was 9.08 mills.

On November 20, 1999, the voters of the District approved the issuance of general obligation bonds and the corresponding ad valorem taxes to be levied for debt service. The amount levied for 2003 was 9.5 mills.

For the year ended December 31, 2003, total ad valorem taxes of 18.58 mills were levied on property with assessed valuations totaling \$12,596,590 after the application of homestead exemptions and adjudicated property. Total taxes levied at December 31, 2003, for debt retirement and for operation were \$119,668 and \$114,378, respectively.

On November 18, 1995, the voters of the District also approved the levying of a \$75 service charge (structure fee) for each residential or commercial structure. Total service charges levied at December 31, 2003, were \$204,525.

An allowance for uncollectible taxes is deducted from the gross taxes and service charges assessed and recorded in the current year. Uncollectible taxes are those which, based on historical data, are not expected to be collected in the subsequent year.

**CADDO PARISH FIRE DISTRICT 6**  
**Notes to Financial Statements**  
**December 31, 2003**

**5. Receivables:**

A summary of receivables at December 31, 2003, follows:

	General	Debt Service	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Ad valorem taxes	\$ 114,378	\$ 119,668	\$ 234,046
Less: Uncollectible Allowance	<u>(3,431)</u>	<u>(3,590)</u>	<u>(7,021)</u>
	<u>\$ 110,947</u>	<u>\$ 116,078</u>	<u>\$ 227,025</u>
Service charges	\$ 204,525	\$ -	\$ 204,525
Less: Uncollectible Allowance	<u>(6,136)</u>	<u>-</u>	<u>(6,136)</u>
	<u>\$ 198,389</u>	<u>\$ -</u>	<u>\$ 198,389</u>

**6. Capital Assets:**

Capital asset activity for the year ended December 31, 2003 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 3,587	\$ -	\$ -	\$ 3,587
Capital assets, being depreciated:				
Buildings & improvements	593,793	52,610	(238,193)	408,210
Equipment & furniture	<u>677,309</u>	<u>62,732</u>	<u>-</u>	<u>740,041</u>
Total	<u>1,274,689</u>	<u>115,342</u>	<u>(238,193)</u>	<u>1,151,838</u>
Less accumulated depreciation:				
Buildings & improvements	(114,420)	(11,727)	-	(126,147)
Equipment	<u>(308,547)</u>	<u>(86,822)</u>	<u>106,691</u>	<u>(288,678)</u>
Total	<u>(422,967)</u>	<u>(98,549)</u>	<u>106,691</u>	<u>(414,825)</u>
Net capital assets	<u>\$ 851,722</u>	<u>\$ 16,793</u>	<u>\$ (131,502)</u>	<u>\$ 737,013</u>

**CADDO PARISH FIRE DISTRICT 6**  
**Notes to Financial Statements**  
**December 31, 2003**

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**7. Risk Management:**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation. There were no significant reductions in insurance coverage from the prior year.

**8. Pension Plan:**

Firefighter's Retirement System of Louisiana

**Plan Description**

Substantially all employees of the District are members of the Louisiana Firefighters' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

*Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipally, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary.*

*Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.*

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

**Funding Policy**

Plan members are required by state statute to contribute 8.0% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The employer contribution rate ranges from 9.0% of annual covered payroll to 18.25%. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System for the year ending December 31, 2003 was \$16,138.

**CADDO PARISH FIRE DISTRICT 6**  
**Notes to Financial Statements**  
December 31, 2003

**10. Per Diem Paid to Board Members:**

The District has a voluntary board; therefore, no per diem amounts were paid during this period. Below is a list of the board members:

Ron Adams	Chairman
Paul Iblings	Vice-Chairman
Jerry Taylor	Secretary/Treasurer
Rupert Sepulvado	Board Member
Barbara McGowan	Board Member

**11. Long-Term Obligations:**

A summary of change in long-term obligations is as follows:

	2000 Series General Obligation Bonds
Balance, December 31, 2002	\$ 675,000
Debt retired	(70,000)
Balance, December 31, 2003	<u>\$ 605,000</u>

Bonds payable consist of an \$800,000 bond issue dated August 1, 2000, due in annual installments of \$70,000 to \$105,000 through March 1, 2010. The interest rate for 2003 was 7.4%. The bonds are secured by levy and collection of ad valorem taxes.

The annual requirements to amortize debt outstanding as of December 31, 2003, including is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 75,000	\$ 28,860	\$ 103,860
2005	75,000	25,110	100,110
2006	80,000	21,235	101,235
2007	85,000	17,089	102,089
2008	90,000	12,648	102,648
Thereafter	<u>200,000</u>	<u>10,636</u>	<u>210,636</u>
Total	<u>\$ 605,000</u>	<u>\$ 115,578</u>	<u>\$ 720,578</u>



**CADDO PARISH FIRE DISTRICT 6**  
**Notes to Financial Statements**  
December 31, 2003

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**12. On-Behalf Payments for Fringe Benefits and Salaries:**

Supplemental salary payments are made by the State directly to certain firemen employed by the District. GASB Statement No. 24 requires that on-behalf payments be recognized as both revenue and expenditure by an employer government entity. In accordance with this Statement, \$14,400 has been recognized as both intergovernmental revenue (state supplemental pay) and salaries in the General Fund.

**13. Due To/From Other Funds:**

As of December 31, 2003, interfund receivables and payable resulting from various interfund transactions were as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 125,776	\$ -
Debt Service Fund	-	18,476
Capital Project Fund	4,785	112,085
	<u>\$ 130,561</u>	<u>\$ 130,561</u>

**CADDO PARISH FIRE DISTRICT 6**  
**Notes to Financial Statements**  
December 31, 2003

**Exhibit 1**  
**Budgetary/GAAP Reporting Reconciliation**  
**General Fund**

	<u>Actual on GAAP Basis</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 110,106	\$ ( 7,193)	\$ 102,913
Fire protection service fees	195,704	( 8,121)	187,583
Intergovernmental:			
State fire insurance rebate	14,600	-	14,600
Grants	49,770		49,770
State revenue sharing	10,130	(3,277)	6,853
State supplemental pay	14,400	(14,400)	-
Interest earned	6,698	-	6,698
Sale of assets	47,000	-	47,000
Miscellaneous	12,567	-	12,567
Total revenues	<u>460,975</u>	<u>( 32,991)</u>	<u>427,984</u>
<b>Expenditures:</b>			
Current-fire protection:			
Collection expense	10,362	-	10,362
Employee benefits	17,528	-	17,528
Firefighters retirement	16,138	-	16,138
Gas, oil and fuel	6,291	393	6,684
Insurance	41,834	( 373)	41,461
Medical supplies	5,878	328	6,206
Office supplies and expenses	10,784	3	10,787
Payroll taxes	3,906	-	3,906
Pension fund contribution	4,868	-	4,868
Professional fees	10,933	-	10,933
Public relations	10,966	( 870)	10,096
Repair and maintenance	26,383	(2,600)	23,783
Salaries	200,280	(14,400)	185,880
Station supplies	61,736	1,187	62,923
Training and travel	8,401	30	8,431
Uniforms	3,797	-	3,797
Utilities	14,973	1,403	16,376
Total fire protection	455,058	(14,899)	440,159
Capital outlay	59,000	-	59,000
Total expenditures	<u>514,058</u>	<u>(14,899)</u>	<u>499,159</u>
<b>Excess of Revenues</b>			
<b>Over Expenditures</b>	( 53,083)	<u>\$ (18,092)</u>	<u>\$( 71,175)</u>
<b>Fund Balances, Beginning</b>	<u>448,659</u>		
<b>Fund Balances, Ending</b>	<u>\$ 395,576</u>		

**CADDO PARISH FIRE DISTRICT 6**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
(Cash Basis)  
General Fund  
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 111,153	\$ 111,153	\$ 102,913	\$ (8,240)
Fire protection service fees	194,775	194,775	187,583	(7,192)
Intergovernmental:				
State fire insurance rebate	12,000	12,000	14,600	2,600
Grants	-	-	49,770	49,770
State revenue sharing	9,000	9,000	6,853	( 2,147)
Interest earned	6,500	6,500	6,698	198
Gain on sale of assets	-	-	47,000	47,000
Miscellaneous	6,125	125	12,567	12,442
Total Revenues	<u>339,553</u>	<u>333,553</u>	<u>427,984</u>	<u>94,431</u>
<b>Expenditures:</b>				
Current-fire protection				
Collection expense	14,000	14,000	10,362	3,638
Employee benefits	12,000	15,628	17,528	(1,900)
Firefighters retirement	25,000	16,973	16,138	835
Gas, oil and fuel	5,000	5,100	6,684	(1,584)
Insurance	35,000	19,500	41,461	(21,961)
Medical supplies	5,500	5,600	6,206	(606)
Office supplies and expense	3,420	3,400	10,787	(7,387)
Payroll taxes	6,400	3,782	3,906	(124)
Pension fund contribution	7,000	7,000	4,868	2,132
Professional fees	9,000	7,750	10,933	(3,183)
Public relations	2,250	6,000	10,096	(4,096)
Repairs and maintenance	13,000	13,000	23,783	(10,783)
Salaries	165,000	193,945	185,880	8,065
Station supplies	13,200	17,600	62,923	(45,323)
Training and travel	8,000	8,750	8,431	319
Uniforms	4,000	4,000	3,797	203
Utilities	14,960	14,480	16,376	( 1,896)
Total fire protection	<u>342,730</u>	<u>356,508</u>	<u>440,159</u>	<u>(83,651)</u>
Capital outlay	2,000	12,500	59,000	(46,500)
Total expenditures	<u>344,730</u>	<u>369,008</u>	<u>499,159</u>	<u>( 130,151)</u>
<b>Excess of Revenues over Expenditures</b>	(5,177)	(35,455)	(71,175)	(35,720)
<b>Fund Balances, Beginning</b>	<u>448,659</u>	<u>448,659</u>	<u>448,659</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 443,482</u>	<u>\$ 413,204</u>	<u>\$ 377,484</u>	<u>\$( 35,720)</u>

# **Marsha O. Millican**

**CERTIFIED PUBLIC ACCOUNTANT**

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Commissioners  
Caddo Parish Fire District No. 6  
Caddo Parish, Louisiana

I have audited the basic financial statements of Caddo Parish Fire District No. 6 (the District) a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2003, and have issued my report thereon dated June 8, 2004. I conducted myr audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether District's basic financial statements are free to material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the management, the Board of Commissioners and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountant  
June 16, 2003

**CADDO PARISH FIRE DISTRICT 6**

**Corrective Action Taken on Prior Year Findings  
For the Year Ended December 31, 2003**

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There were no findings for the year ended December 31, 2002.

**CADDO PARISH FIRE DISTRICT 6**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2003**

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There were no findings for the year ended December 31, 2003.



# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

To the Members of the Board of Commissioners  
Caddo Parish Fire District No. 6  
Keithville, Louisiana

In planning and performing my audit of the financial statements of Caddo Parish Fire District No. 6 as of December 31, 2003 and the year then ended, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit, I noted a certain instance of noncompliance with state law as reported below. This letter does not affect my report dated June 8, 2004.


Although the budget was amended during the year, actual expenditures exceed budgeted expenditures by five percent or more.

I recommend the budget be amended whenever actual expenditures exceed budgeted expenditures by 5% or more to be in full compliance with the state budget law.

I have discussed this recommendation with appropriate members of management. Management stated the budget will be amended in accordance with the state budget law in the future.

I will be pleased to discuss this recommendation in further detail at your convenience.

This report is intended solely for the information and use of management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant  
June 8, 2004