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**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6**

**ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**Year Ended December 31, 2003**

*Royce T. Scimemi, CPA, APAC*

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 8-4-04

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# ROYCE T. SCIMEMI, CPA, APAC



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## INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners**  
**Allen Parish Fire Protection District No. 6**  
Oakdale, Louisiana

I have audited the accompanying financial statements of the governmental activities and each major fund of the Allen Parish Fire Protection District No. 6 (District), a component unit of the Allen Parish Police Jury, as of and for the two years ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Fire Protection District No. 6. My responsibility is to express an opinion on these 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 Government 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 my audit provides a reasonable basis for my opinion.

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

In accordance with Government Auditing Standards, I have also issued a report dated June 22, 2004, on my consideration of the Allen Parish Fire Protection District No. 6's internal control over financial reporting and 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 Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis and the required supplementary information on pages 34 through 35, 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 required supplementary information. However, I did not audit the information and express no opinion it.

**Allen Parish Fire Protection District No. 6**  
**Independent Auditor's Report-continued**

As described in Note F to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, Statement No. 37, Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments: Omnibus, Statement No. 38 Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the basic financial statements.

Royce T. Scimemi, CPA, APAC  
June 22, 2004

*Royce T. Scimemi, CPA, APAC*

# ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

## Management's Discussion and Analysis

Within this section of the Allen Parish Fire Protection District No. 6 annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the two fiscal years ended December 31, 2003. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Financial Highlights

- The District's assets exceeded its liabilities by \$1,010,730 (net assets) for the fiscal year reported.
- For 2003 total expenditures of \$135,822 were exceeded by total revenues of \$200,501, which resulted in a current year surplus of \$64,679. For 2002 total expenditures of \$112,682 were exceeded by total revenues of \$215,289, which resulted in a current year surplus of \$102,607. Numerous fire trucks and stations were acquired during this time.
- Total net assets are comprised of the following:
  - (1) Capital assets of \$715,169 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt, if any, related to the purchase of capital assets.
  - (2) Restricted net assets of \$98,915 includes funds for debt service.
  - (3) Unrestricted net assets of \$196,646.
- The District's governmental funds reported total ending fund balance of \$307,868, \$585,310, and \$1,415,043 for 2003, 2002 and 2001, respectively. Therefore, they reflect decreases of \$277,442 and \$829,733 during 2003 and 2002, respectively.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$196,646, or 240% of total General Fund expenditures and 164% of total General Fund revenues.
- Overall, the District continues to maintain a solid financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2004.

### Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

## ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

### Management's Discussion and Analysis (Continued)

The second government-wide statement is the *Statement of Activities*, which reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided.

The government-wide financial statements are presented on pages 12 through 14 of this report.

#### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The District uses governmental funds as follows:

*Governmental funds* are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 17 through 22 of this report.

#### **Notes to the basic financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

#### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These schedules demonstrate compliance with the District's adopted and final revised budget. Required supplemental information can be found on page 34 through 35 of this report.

#### **Financial Analysis of the District as a Whole**

The District implemented the new financial reporting model used in this report beginning with the current two fiscal years ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as a whole.



## ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

### Management's Discussion and Analysis (Continued)

The District's net assets at fiscal year-end are \$1,010,730. The following table provides a summary of the District's net assets:

<b>Assets:</b>		
Current assets	\$ 308,952	18%
Capital assets	<u>1,390,169</u>	<u>82</u>
<b>Total assets</b>	<b><u>1,699,121</u></b>	<b><u>100%</u></b>
<b>Liabilities:</b>		
Current liabilities	68,391	10%
Long-term liabilities	<u>620,000</u>	<u>90</u>
<b>Total liabilities</b>	<b><u>688,391</u></b>	<b><u>100%</u></b>
<b>Net assets:</b>		
Investment in capital assets, net of debt	715,169	71%
Restricted	98,915	10
Unrestricted	<u>196,646</u>	<u>19</u>
<b>Total net assets</b>	<b><u>\$ 1,010,730</u></b>	<b><u>100%</u></b>

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 4.52 to 1.

Note that approximately 71% of the governmental activities' net assets are tied up in capital assets. The District uses these capital assets to provide services to its citizens.

Overall, the District reports net assets of \$1,010,730, \$946,051, and 843,344 for 2003, 2002, and 2001, respectively. This amounts to an increase in net assets of \$64,679 and \$102,707 for 2003 and 2002, respectively. The District has \$1,390,169 invested in capital assets. The District's overall financial position improved during fiscal year 2003.

Since this is the first year in which government-wide information is available, comparative data is not presented for fiscal year 2001. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the District's changes in net assets:

	2003		2002	
<b>Revenues:</b>				
<b>Program:</b>				
Operating grants and contributions	\$ 7,448	4	\$ 1,320	1
<b>General:</b>				
Ad valorem tax revenues	189,537	94%	200,587	93%
Interest	<u>3,516</u>	<u>2</u>	<u>13,382</u>	<u>6</u>
<b>Total Revenues</b>	<b><u>200,501</u></b>	<b><u>100%</u></b>	<b><u>215,289</u></b>	<b><u>100%</u></b>
<b>Program expenses:</b>				
Fire fighting and rescue	95,514	70%	67,330	
Interest on long-term debt	<u>40,308</u>	<u>30</u>	<u>45,352</u>	
<b>Total expenses</b>	<b><u>135,822</u></b>	<b><u>100%</u></b>	<b><u>112,682</u></b>	
Change in net assets	64,679		102,607	
Beginning net assets	<u>946,051</u>		<u>843,444</u>	
<b>Ending net assets</b>	<b><u>\$ 1,010,730</u></b>		<b><u>\$ 946,051</u></b>	

# ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

## Management's Discussion and Analysis (Continued)

### Governmental Revenues

The District is heavily reliant on property taxes to support its operations. Property taxes provided 94% of the District's revenues.

### Governmental Functional Expenses

The total function of the District is fire fighting and rescue. The only other non-functional cost is interest expense related to the outstanding general obligation bonds. Of the total cost, depreciation on the property and equipment was \$57,624 for 2003 and \$39,529 for 2002 or 42.% and 35% of total expenses in 2003 and 2002, respectively.

### Financial Analysis of the District's Funds

#### *Governmental Funds*

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Governmental funds reported an ending balance of \$307,868 for 2003. Legally restricted fund balances (i.e., the reserved fund balances) include: \$111,222 reserved for debt service for 2003. As a result, the unreserved, undesignated fund balance is \$196,646 at the end of 2003.

Governmental funds reported an ending balance of \$585,310 for 2002. Legally restricted fund balances (i.e., the reserved fund balances) include: \$116,021 reserved for debt service for 2002. As a result, the unreserved, undesignated fund balance is \$469,289 at the end of 2002.

The unreserved, undesignated fund balance decreased by \$277,442 and \$829,733 in 2003 and 2002, respectively.

#### *Major Governmental Funds*

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$272,643 in 2003 and \$130,774 in 2002. In fiscal year 2003 and 2002, revenues remained relative constant from the prior years. Operating expenditures decreased by \$165,074 in 2003 and increased by \$233,855 in 2002, in large because of significant fire truck and substation installations during 2002.

#### **Budgetary Highlights**

*The General Fund* – When the original 2003 budget was adopted, it was anticipated that the total revenues were going to be less than the previous fiscal year by \$22,174 mainly due to an anticipated decrease in property tax revenue and interest income. The original budget reflected an increase in total expenditures of \$72,182 from the previous fiscal year mainly due to an anticipated increase in capital outlays. The budget was amended once during the 2003.

When the original 2002 budget was adopted, it was anticipated that the total revenues were going to be less than the previous fiscal year by \$25,874 mainly due to an anticipated decrease in property tax revenue and interest income. The original budget reflected an increase in total expenditures of \$63,782 from the previous fiscal year mainly due to an anticipated increase in insurance and other recurring expenditures. The budget was amended once during the 2002.



# ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

## Management's Discussion and Analysis (Continued)

### Capital Assets and Debt Administrators

#### *Capital assets*

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2003, was \$1,390,169. See Note C for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

Nondepreciable assets-land	\$ 33,844
Depreciable assets:	
Buildings & improvements	290,949
Furniture & fixtures	1,755
Machinery & equipment	186,561
Vehicles	<u>974,940</u>
Total depreciable assets	1,454,205
Less accumulated depreciation	<u>97,880</u>
Book value-depreciable assets	\$ <u>1,356,325</u>
Percentage depreciated	<u>6.7%</u>
Book value-all assets	\$ <u>1,390,169</u>

#### *Long-term debt*

At the end of the fiscal year, the District had total general obligation bonds outstanding of \$675,000. The total amount of these obligations is secured by debt service fund revenues. During the year 2003, the District made an advance refunding \$255,000 of debt and retired \$95,000 under normal payment requirements. During the year 2002 the District issued general obligation bonds amounting to \$300,000 and retired \$45,000 under normal payment requirements. See Note D for additional information regarding long-term debt.

#### **Contacting the District's Financial Management**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Treasurer, Everett Lovejoy, at (318) 335-2579.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

STATEMENT OF NET ASSETS

December 31, 2003

Governmental Activities

ASSETS	
Interest-bearing deposits	\$ 116,536
Ad valorem taxes receivable	192,416
Capital assets:	
Land	33,844
Capital assets, net	<u>1,356,325</u>
Total assets	<u>1,699,121</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,084
Accrued interest payable	12,307
Long-term liabilities:	
Due within one year	55,000
Due after one year	<u>620,000</u>
Total liabilities	<u>688,391</u>
NET ASSETS	
Invested in capital assets, net of related debt	715,169
Restricted	98,915
Unrestricted	<u>196,646</u>
Total net assets	<u>\$ 1,010,730</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

STATEMENT OF ACTIVITIES

Year Ended December 31, 2003

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Assets Governmental Activities</u>
		<u>Direct</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Fire fighting and rescue	\$ 95,514	\$ -	\$ 7,448	\$ (88,066)
Interest on long-term debt	<u>40,308</u>	-	-	<u>(40,308)</u>
Total	<u>\$135,822</u>	<u>\$ -</u>	<u>\$ 7,448</u>	<u>(128,374)</u>
General revenues:				
Ad valorem taxes				189,537
Interest earnings				<u>3,516</u>
Total general revenues				<u>193,053</u>
Change in net assets				64,679
Net assets-December 31, 2002				<u>946,051</u>
Net assets-December 31, 2003				<u>\$1,010,730</u>

The accompanying notes are an integral part of the basic financial statements.



ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

STATEMENT OF ACTIVITIES

Year Ended December 31, 2002

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Assets Governmental Activities</u>
		<u>Direct</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Fire fighting and rescue	\$ 67,330	\$ -	\$ 1,320	\$ (66,010)
Interest on long-term debt	<u>45,352</u>	<u>-</u>	<u>-</u>	<u>(45,352)</u>
Total	\$ <u>112,682</u>	\$ <u>-</u>	\$ <u>1,320</u>	(111,362)
General revenues:				
Ad valorem taxes				200,587
Interest earnings				<u>13,382</u>
Total general revenues				<u>213,969</u>
Change in net assets				102,607
Net assets-December 31, 2001				<u>843,444</u>
Net assets-December 31, 2002				<u>\$946,051</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Debt Service Fund**

To account for the accumulation of resources for, and the payment of long-term debt.

### **Capital Projects Fund**

To account for resources received and used for the acquisition, construction or improvements of capital facilities and equipment not reported in other governmental funds.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2003

GOVERNMENTAL FUND TYPES

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash	\$ 86,812	\$ 29,724	\$ 116,536
Receivables			
Ad valorem taxes, net	<u>110,918</u>	<u>81,498</u>	<u>192,416</u>
TOTAL ASSETS	<u>\$ 197,730</u>	<u>\$ 111,222</u>	<u>\$ 308,952</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ <u>1,084</u>	\$ <u>-</u>	\$ <u>1,084</u>
TOTAL LIABILITIES	<u>1,084</u>	<u>-</u>	<u>1,084</u>
<b>FUND EQUITY</b>			
Fund balances			
Reserved for debt service	-	111,222	111,222
Unreserved and undesignated	<u>196,646</u>	<u>-</u>	<u>196,646</u>
TOTAL FUND EQUITY	<u>196,646</u>	<u>111,222</u>	<u>307,868</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 197,730</u>	<u>\$ 111,222</u>	<u>\$ 308,952</u>

The accompanying notes are an integral part of the basic financial statements.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
December 31, 2003

Total fund balances for governmental funds at December 31, 2003		\$ 307,868
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 33,844	
Buildings and improvements, net of \$10,789 accumulated depreciation	280,160	
Furniture and fixtures, net of \$104 accumulated depreciation	1,651	
Machinery and equipment, net of \$18,319 accumulated depreciation	168,242	
Vehicles, net of \$68,668 accumulated depreciation	<u>906,272</u>	1,390,169
Long-term liabilities at December 31, 2003:		
General obligations bond payable	\$ (675,000)	
Accrued interest payable	<u>(12,307)</u>	<u>(687,307)</u>
Total net assets of governmental activities at December 31, 2003		<u>\$1,010,730</u>



ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended December 31, 2003

	General Fund	Debt Service Fund	Totals
<b>REVENUES</b>			
Ad valorem taxes, net	\$ 109,212	\$ 80,325	\$ 189,537
Interest	2,983	533	3,516
Intergovernmental	7,448	-	7,448
<b>TOTAL REVENUES</b>	<b><u>119,643</u></b>	<b><u>80,858</u></b>	<b><u>200,501</u></b>
<b>EXPENDITURES</b>			
Current			
Bank Charges	125	117	242
Contract labor	6,353	-	6,353
Fuel	2,938	-	2,938
Insurance	15,314	-	15,314
Licenses & permits	10	-	10
Office supplies	821	-	821
Postage	123	-	123
Professional fees	2,640	-	2,640
Repairs & maintenance	3,938	-	3,938
Secretary fees	190	-	190
Supplies	1,074	-	1,074
Training	67	-	67
Utilities	3,276	-	3,276
Capital outlay	45,030	-	45,030
Debt service			
Paying agent fees	-	903	903
Principal	-	350,000	350,000
Interest	-	45,024	45,024
<b>TOTAL EXPENDITURES</b>	<b><u>81,899</u></b>	<b><u>396,044</u></b>	<b><u>477,943</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>37,744</u></b>	<b><u>(315,186)</u></b>	<b><u>(277,442)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers out	(310,387)	-	(310,387)
Operating transfer in	-	310,387	310,387
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(310,387)</u></b>	<b><u>310,387</u></b>	<b><u>-</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b><u>(272,643)</u></b>	<b><u>(4,799)</u></b>	<b><u>(277,442)</u></b>
<b>FUND BALANCE - BEGINNING</b>	<b><u>469,289</u></b>	<b><u>116,021</u></b>	<b><u>585,310</u></b>
<b>FUND BALANCE - ENDING</b>	<b><u>\$ 196,646</u></b>	<b><u>\$ 111,222</u></b>	<b><u>\$ 307,868</u></b>

The accompanying notes are an integral part of the basic financial statements

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Funds to the  
Statement of Activities

Year Ended December 31, 2003

Total net changes in fund balances at December 31, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balances			<b>\$(277,442)</b>
The change in net assets 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.			
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 45,030		
Depreciation expense for the year ended December 31, 2003	<u>(57,624)</u>	<u>(12,594)</u>	
Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable on the statement of net assets			350,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis			<u>4,715</u>
Total changes in net assets at December 31, 2003 per Statement of Activities			<b><u>\$64,679</u></b>

The accompanying notes are an integral part of the basic financial statements

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended December 31, 2002

	General Fund	Debt Service Fund	Capital Projects Fund	TOTALS (Memorandum Only)
<b>REVENUES</b>				
Ad valorem taxes, net	\$ 110,718	\$ 89,869	\$ -	\$ 200,587
Interest	8,424	838	4,120	13,382
Intergovernmental	1,320	-	-	1,320
<b>TOTAL REVENUES</b>	<u>120,462</u>	<u>90,707</u>	<u>4,120</u>	<u>215,289</u>
<b>EXPENDITURES</b>				
Current				
Advertising	940	-	-	940
Bank Charges	86	129	38	253
Fuel	704	-	-	704
Insurance	12,297	-	-	12,297
Licenses & permits	308	-	-	308
Office supplies	314	-	-	314
Postage	146	-	-	146
Professional fees	2,980	-	-	2,980
Repairs & maintenance	814	-	-	814
Secretary fees	185	-	-	185
Supplies	3,375	-	-	3,375
Training	34	-	-	34
Utilities	1,455	-	-	1,455
Capital outlay	223,235	-	1,006,618	1,229,853
Debt service				
Bond Issuance Costs	100	-	3,595	3,695
Paying agent fees	-	301	-	301
Principal	-	45,000	-	45,000
Interest	-	42,368	-	42,368
<b>TOTAL EXPENDITURES</b>	<u>246,973</u>	<u>87,798</u>	<u>1,010,251</u>	<u>1,345,022</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(126,511)</u>	<u>2,909</u>	<u>(1,006,131)</u>	<u>(1,129,733)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	-	300,000	300,000
Operating transfers out	(4,263)	-	-	(4,263)
Operating transfer in	-	4,263	-	4,263
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,263)</u>	<u>4,263</u>	<u>300,000</u>	<u>300,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(130,774)</u>	<u>7,172</u>	<u>(706,131)</u>	<u>(829,733)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>600,063</u>	<u>108,849</u>	<u>706,131</u>	<u>1,415,043</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 469,289</u>	<u>\$ 116,021</u>	<u>\$ -</u>	<u>\$ 585,310</u>

The accompanying notes are an integral part of the basic financial statements

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Funds to the  
Statement of Activities

Year Ended December 31, 2002

Total net changes in fund balances at December 31, 2002 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (829,733)
The change in net assets 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.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$1,229,853	
Depreciation expense for the year ended December 31, 2002	<u>(39,529)</u>	<u>1,190,324</u>
Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable on the statement of net assets		45,000
Governmental funds report debt proceeds as revenues. However, this revenue does not appear in the statement of activities since the debt is reported on the statement of net assets		(300,000)
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		<u>(2,984)</u>
Total changes in net assets at December 31, 2002 per Statement of Activities		<u>\$ 102,607</u>

The accompanying notes are an integral part of the basic financial statements

**ALLEN PARISH FIRE PROTECTION DISTRICT #6**  
**Oakdale, Louisiana**

**Notes to the Financial Statements**

**December 31, 2003 and 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Allen Parish Fire Protection District No. 6 was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the people of District 6 of Allen Parish. The district is governed by a board of commissioners composed of five members appointed by the Allen Parish Police Jury.

The accompanying basic financial statements of the Allen Parish Fire Protection District No. 6 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**1. Financial Reporting Entity**

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion 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 organizations' governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or compose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all members to the governing body and has the ability to impose its will on the District, the District was determined to be a component unit of the Allen Parish Police Jury, 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 police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.



ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6  
Oakdale, Louisiana

Notes to the Financial Statements – Continued

December 31, 2003 and 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation

The accompanying basic financial statements of the district have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, "Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments", issued in June 1999.

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the District's Office as a whole. These statements include all the financial activities of the District's office except for fiduciary-agency funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchanges occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include ad valorem tax and income. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid managements by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds. The major funds of the District are described below:

Governmental Fund Types:

General Fund -

The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Debt Service Fund -

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6  
Oakdale, Louisiana

Notes to the Financial Statements – Continued

December 31, 2003 and 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

term debt principal, interest, and related costs.

Capital Projects Fund -

The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities and equipment not reported in other governmental funds.

3. Measurement Focus/Basis of Accounting

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District operations. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The amounts reflected in the governmental funds use the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for the interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15, of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year. The government considers property taxes as available is they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes and interest.

Expenditures

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6**  
**Oakdale, Louisiana**

**Notes to the Financial Statements – Continued**

**December 31, 2003 and 2002**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**4. Cash and Interest Bearing Deposits**

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 the amount on deposit with the fiscal agent. At December 31, 2003 the District had \$116,633 in deposits (collected bank balances). Deposits of \$100,000 were secured from risk by federal deposit insurance and \$16,633 were secured by pledged securities.

**5. Accounts Receivable**

Accounts Receivable does not include immaterial amounts to be held in escrow by the Allen Parish Tax Collector. Due to the filing of protests by the pipeline owners within the parish, forty percent of the tax payments for the year 2000 made by these owners were withheld pending the outcome of the litigation. Should the outcome be in favor of the pipeline owners, this money will be returned to them. In the event the protest fails, the monies will be transferred to the taxing districts. The Allen Parish Tax Collector believes the matter will be settled for one-half of the amounts protested. Unlike the year 2000 payments held in escrow, the year 2001, 2002, and 2003 payments were made to the taxing districts in early 2002, 2003, and 2004 but may be refundable to the pipeline owners.

In 2002, approximately 84% of the pipeline owners dismissed/withdrew their protest/appeals and the applicable taxes were collected from the tax collector by the district. The laws requiring the tax collector to hold in escrow the protested amounts also changed and the tax collector began remitting all taxes paid under protest to the district in 2001, 2002, and 2003. At December 31, 2003, the amount of protested taxes amounted to:

	Maintenance	Bond Sinking	
Year 2000	\$ 189	\$ 157	Held by the tax collector
Year 2001	212	177	Held by the district
Year 2002	1,531	1,252	Held by the district
Year 2003	<u>1,628</u>	<u>1,196</u>	Held by the district
<b>Total protested taxes</b>	<b><u>\$3,560</u></b>	<b><u>\$2,782</u></b>	

Due to the relative immateriality and uncertainty of the outcome, the district is not maintaining an allowance for any uncollectible taxes (held by the tax collector for the year 2000) or deferred revenues

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6  
Oakdale, Louisiana

Notes to the Financial Statements – Continued

December 31, 2003 and 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(held by the district for the years 2001, 2002 and 2003 and recorded in ad valorem tax revenues during those years) on these protested taxes.

6. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by the direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Although the specific charge-off method is not in conformity with accounting principles generally accepted in the United States of America, no allowance for uncollectible accounts receivable is made due to immateriality at December 31, 2003.

7. Capital Assets

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 value at the date of donation. The District maintains a threshold level of \$150 or more for capitalizing capital assets.

Capital assets are recorded in the statement of net assets and statement of activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Useful Lives</u>
Buildings and Improvements	25-50 Years
Furniture and fixtures	12-25
Machinery and Equipment	5-25
Vehicles	7-25

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

8. Budget

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.



ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6  
Oakdale, Louisiana

Notes to the Financial Statements – Continued

December 31, 2003 and 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level. The final budget for 2003 and includes the original budget and one amendment made during each year.

9. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District as an extension of formal budgetary integration in the funds.

10. Equity Classification

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

- a. Invested 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 attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

11. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

12. Long-Term Debt

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements.



ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6  
Oakdale, Louisiana

Notes to the Financial Statements – Continued

December 31, 2003 and 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2003, taxes of 26.61 mills were levied on property with taxable assessed valuations totaling \$8,420,610 and were dedicated as follows:

Maintenance	13.61 mills ✓
Bond sinking	10.00 mills

Total taxes levied were \$198,811

For the year ended December 31, 2002, taxes of 22.32 mills were levied on property with taxable assessed valuations totaling \$9,325,780 and were dedicated as follows:

Maintenance	12.32 mills
Bond sinking	10.00 mills

Total taxes levied were \$208,191

Property tax millage rates are adopted in December for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15<sup>th</sup> of the current year, and become delinquent after December 31<sup>st</sup>. Property taxes not paid by the end of February are subject to lien.

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6**  
**Oakdale, Louisiana**

**Notes to the Financial Statements – Continued**

December 31, 2003 and 2002

**NOTE C -CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<u>12/31/02</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/03</u> <u>Balance</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 33,404	\$ 440	\$ -	\$ 33,844
<b>Other capital assets:</b>				
Buildings and Improvements	265,189	25,760	-	290,949
Furniture and Fixtures	1,379	376	-	1,755
Machinery and Equipment	180,418	6,143	-	186,561
Vehicles	<u>962,630</u>	<u>12,310</u>	-	<u>974,940</u>
Total	<u>1,443,020</u>	<u>45,029</u>	<u>-</u>	<u>1,488,049</u>
<b>Less: accumulated depreciation:</b>				
Buildings and Improvements	5,012			10,789
Furniture and Fixtures	36			104
Machinery and Equipment	6,329			18,319
Vehicles	<u>28,879</u>			<u>68,668</u>
Total	<u>40,256</u>			<u>97,880</u>
<b>Net capital assets</b>	<b>\$ <u>1,402,764</u></b>			<b>\$ <u>1,390,169</u></b>

Depreciation expense in the amount of \$57,624 was charged to fire fighting and rescue in 2003.

	<u>12/31/01</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/02</u> <u>Balance</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 20,454	\$ 12,950	\$ -	\$ 33,404
<b>Other capital assets:</b>				
Buildings and Improvements	187,360	77,829	-	265,189
Furniture and Fixtures	-	1,379	-	1,379
Machinery and Equipment	5,353	175,065	-	180,418
Vehicles	<u>-</u>	<u>962,630</u>	-	<u>962,630</u>
Total	<u>213,167</u>	<u>1,229,853</u>	<u>-</u>	<u>1,443,020</u>
<b>Less: accumulated depreciation:</b>				
Buildings and Improvements	636			5,012
Furniture and Fixtures	-			36
Machinery and Equipment	91			6,329
Vehicles	<u>-</u>			<u>28,879</u>
Total	<u>727</u>			<u>40,256</u>
<b>Net capital assets</b>	<b>\$ <u>212,440</u></b>			<b>\$ <u>1,402,764</u></b>

Depreciation expense in the amount of \$39,529 was charged to fire fighting and rescue in 2002.

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6**  
**Oakdale, Louisiana**

**Notes to the Financial Statements – Continued**

**December 31, 2003 and 2002**

**NOTE D - LONG-TERM DEBT**

**1. Debt Outstanding**

Bonds payable at December 31, 2003 is comprised of the following issue:

\$ 900,000 general obligation bonds dated September 1, 1998; due in annual installments of \$40,000 to \$85,000 through March 1, 2013; interest at 4.5% to 5.5% (this issue secured by levy and collection of ad valorem taxes)	\$ 675,000
\$ 300,000 general obligation bonds dated April 1, 2002, due in annual installments of \$45,000 to \$55,000 through March 1, 2008; interest at 4.5% (this issue secured by levy and collection of ad valorem taxes) – Paid off (Defeased)	_____ -
	<b>\$ <u>675,000</u></b>

The following is a summary of the long-term debt transactions during the year 2003:

Long-term debt payable at December 31, 2002	\$ 1,025,000
Additions	-
Deduction (Principal payment of \$95,000 and Advance Refunding of \$255,000)	<u>(350,000)</u>
Long-term debt payable at December 31, 2003	<b>\$ <u>675,000</u></b>

The following is a summary of the long-term debt transactions during the year 2002:

Long-term debt payable at December 31, 2001	\$ 770,000
Additions	300,000
Deduction	<u>(45,000)</u>
Long-term debt payable at December 31, 2002	<b>\$ <u>1,025,000</u></b>

**2. Debt Defeasance**

In July 2003 the district defeased (paid) \$255,000 of outstanding general obligation bonds to reduce its total debt service payments over the next 5 years by \$284,588.

**3. Debt Service Requirements to Maturity**

The annual requirements to amortize all debts outstanding as of December 31, 2003, including interest payments of \$175,689 as follows:

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6  
Oakdale, Louisiana

Notes to the Financial Statements -- Continued

December 31, 2003 and 2002

<u>Year Ending December 31,</u>	<u>Total</u>
2004	\$ 86,243
2005	83,218
2007	85,355
2008	82,655
2009	84,810
Thereafter	<u>428,408</u>
	<u>\$ 850,689</u>

**NOTE E - 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE F - CHANGES IN ACCOUNTING PRINCIPLES**

For the two years ended June 30, 2003, the District has implemented GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The District also implemented GASB Statement No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2001 to be restated in terms of "net assets" as follows:

Total fund balances -- Governmental Funds at December 31, 2001		\$ 1,415,043
Add: Cost of capital assets at December 31, 2001	\$ 213,167	
Less: Accumulated depreciation at December 31, 2001	<u>(727)</u>	212,440
Less: Long-term debt obligations at December 31, 2001	(770,000)	
Accrued interest payable at December 31, 2001	<u>(14,039)</u>	<u>(784,039)</u>
Net assets at December 31, 2001		<u>\$ 843,344</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

Budgetary Comparison Schedule  
General Fund

Year Ended December 31, 2003

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem tax	\$ 110,000	\$ 110,000	\$ 109,212	\$ (788)
Interest	9,000	3,500	2,983	(517)
Intergovernmental	-	-	7,448	7,448
<b>TOTAL REVENUES</b>	<u>119,000</u>	<u>113,500</u>	<u>119,643</u>	<u>6,143</u>
<b>EXPENDITURES</b>				
Current				
Advertising	500	200	-	200
Bank charges	200	1,300	125	1,175
Contract labor	-	6,000	6,353	(353)
Fuel	7,000	-	2,938	(2,938)
Insurance	15,000	15,500	15,314	186
Licenses & permits	300	100	10	90
Office supplies	2,000	800	821	(21)
Pension Commission	3,000	-	-	-
Postage	300	150	123	27
Professional fees	3,000	3,000	2,640	360
Repairs and maintenance	3,500	7,800	3,938	3,862
Secretary fees	-	-	190	(190)
Supplies	14,000	5,000	1,074	3,926
Training	-	100	67	33
Utilities	8,000	3,600	3,276	324
Capital outlay	15,000	75,000	45,030	29,970
Debt Service				
Interest	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>85,300</u>	<u>118,550</u>	<u>81,899</u>	<u>36,651</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>33,700</u>	<u>( 5,050)</u>	<u>37,744</u>	<u>42,794</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(310,387)</u>	<u>(310,387)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>33,700</u>	<u>( 5,050)</u>	<u>(272,643)</u>	<u>(267,593)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>469,289</u>	<u>469,289</u>	<u>469,289</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 502,989</u>	<u>\$ 464,239</u>	<u>\$ 196,646</u>	<u>\$ (267,593)</u>

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

Budgetary Comparison Schedule  
General Fund

Year Ended December 31, 2002

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem tax	\$ 115,300	\$ 110,000	\$ 110,718	\$ 718
Interest	-	14,000	8,424	(5,576)
Intergovernmental	-	-	1,320	1,320
<b>TOTAL REVENUES</b>	<u>115,300</u>	<u>124,000</u>	<u>120,462</u>	<u>(3,538)</u>
<b>EXPENDITURES</b>				
Current				
Advertising	500	500	940	(440)
Bank charges	200	200	86	114
Fuel	7,000	7,000	704	6,296
Insurance	20,000	20,000	12,297	7,703
Licenses & permits	300	300	308	(8)
Office supplies	2,000	2,000	314	1,686
Pension Commission	3,000	3,000	-	3,000
Postage	300	300	146	154
Professional fees	7,600	7,600	2,980	4,620
Repairs and maintenance	14,000	14,000	814	13,186
Secretary fees	-	-	185	(185)
Supplies	14,000	14,000	3,375	10,625
Training	-	-	34	(34)
Utilities	8,000	8,000	1,455	6,545
Capital outlay	-	250,000	223,235	26,765
Debt Service				
Bond Issuance Costs	-	-	100	(100)
<b>TOTAL EXPENDITURES</b>	<u>76,900</u>	<u>326,900</u>	<u>246,973</u>	<u>79,927</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>38,400</u>	<u>(202,900)</u>	<u>(126,511)</u>	<u>76,389</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	-	-	(4,263)	(4,263)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>38,400</u>	<u>(202,900)</u>	<u>(130,774)</u>	<u>72,126</u>
<b>FUND BALANCE - BEGINNING</b>	<u>600,063</u>	<u>600,063</u>	<u>600,063</u>	-
<b>FUND BALANCE - ENDING</b>	<u>\$ 638,463</u>	<u>\$ 397,163</u>	<u>\$ 469,289</u>	<u>\$ 72,126</u>



# ROYCE T. SCIMEMI, CPA, APAC



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### **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Basic Financial Statements Performed in Accordance with Government Auditing Standards**

**Board of Commissioners  
Allen Parish Fire Protection District No. 6  
Oakdale, Louisiana**

I have audited the basic financial statements of Allen Parish Fire Protection District No. 6 as of and for the two years ended December 31, 2003, and have issued my report thereon dated June 22, 2004. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### *Compliance*

As part of obtaining reasonable assurance about whether Allen Parish Fire Protection District No. 6's basic financial statements are free of 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclose three instances of noncompliance that are required to be reported under *Government Auditing Standards*. They are described in the accompanying schedule of findings and questioned costs.

#### *Internal Control Over Financial Reporting*

In planning and performing my audit, I considered the Allen Parish Fire Protection District No. 6's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my 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 basic 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 operation that I consider to be material weaknesses.



**Board of Commissioners**  
**Allen Parish Fire Protection District No. 6**  
**Compliance and Internal Control Report (Continued)**

This report is intended for the information of management and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed to the Legislative Auditor as a public document.

Royce T. Scimemi, CPA, APAC  
June 22, 2004

*Royce T. Scimemi, CPA, APAC*

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

Schedule of Findings and Questioned Costs

Year Ended December 31, 2003

**Current Year Findings:**

1. Summary of Auditor's Results:

- a. Auditor issued an unqualified opinion on the financial statements.
- b. No reportable conditions in internal control over financial reporting and its operation were disclosed by the audit of the financial statements.
- c. Three noncompliances, which are material to the financial statements, were disclosed by the audit of the financial statements.

2. Findings Relating to the Financial Statements Which are Required to be Reported by the Audit of the Financial Statements:

- A. Management did not adopt a budget for the year 2002 until January 8, 2003. The Louisiana Local Government Budget Act requires that the budget be adopted by the 15<sup>th</sup> day of the month prior to the beginning of the fiscal year.
- B. LSA-RS38:2193 Prohibits donation, loan or pledge of public credit or property any individual. During the year 2003, the Assistant Fire Chief used a passenger fire vehicle for personal purposes in violation of the above referenced Louisiana law. The total fuel used by that vehicle amounted to \$1,217 during 2003. Over 13,000 miles were logged in that vehicle during 2003.
- C. Inadequate segregation of duties

3. Findings and Questioned Costs for Federal Awards:

- N/A

**Prior Year Findings:**

Segregation of duties – no corrective action necessary

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 6

Corrective Action Plan

Year Ended December 31, 2003

The commissioners of the Allen Parish Fire Protection District No. 6 were unaware of the requirement to have a budget adopted before the fifteen day of the month preceding the fiscal year. From this point on a budget will be adopted timely.

The commissioners were unaware that the Assistant Fire Chief was using the passenger fire truck for personal purposes. In early 2004 the Assistant Fire Chief was confronted and the vehicle was taken from his possession. He resigned at that same meeting. Since he no longer has possession of the vehicle further corrective action is not necessary.

It is not practical for the Allen Parish Fire Protection District No. 6 to maintain adequate segregation of duties and no corrective action is necessary



President

Allen Parish Fire Protection District No. 6