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GRANT PARISH FIRE DISTRICT NO. 5, INC.  
POLLOCK, LOUISIANA

AUDITOR'S 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 \_\_\_\_\_

Roy K. Derbonne, Jr.  
Certified Public Accountant  
1101-A Bolton Avenue  
Alexandria, Louisiana 71301

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## INDEPENDENT AUDITOR'S REPORT

The Honorable A. D. Futrell, Chairman of the Board  
and Members of the Board of Commissioners  
Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana 71467

I have audited the accompanying general purpose financial statements of the Grant Parish Fire District No. 5, Inc., as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the management of the Grant Parish Fire District No. 5, Inc. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, 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 general purpose 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Grant Parish Fire District No. 5, Inc., Pollock, Louisiana, as of December 31, 2003, and for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 30, 2004 on my consideration of the Grant Parish Fire District No. 5, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements is presented for purposes of additional analysis and is not a required part of the financial statements of the Grant Parish Fire District No. 5, Inc., Pollock, Louisiana. Such information has been subjected to the auditing

procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the audit report for that year, in which I expressed an unqualified opinion on the combined, combining, individual fund, and account group financial statements of the Grant Parish Fire District No. 5, Inc., Pollock, Louisiana.

This report is intended for the information of the Board of Commissioners for the Grant Parish Fire District No. 5, Inc. and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Certified Public Accountant

Alexandria, Louisiana  
June 30, 2004

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

The Honorable A. D. Futrell, Chairman of the Board  
and the Board of Commissioners  
Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

I have audited the general purpose financial statements of the Grant Parish Fire District No. 5, Inc., Pollock, Louisiana, as of and for the year ended December 31, 2003, and have issued my report thereon dated June 30, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

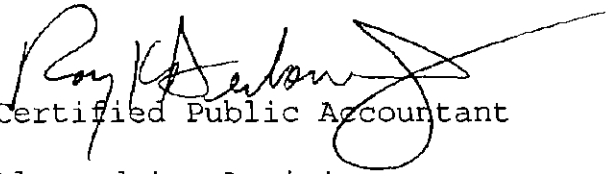
As part of obtaining reasonable assurance about whether the Grant Parish Fire District No. 5, Inc., Pollock, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws and regulations, contracts, and grants, 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 disclosed one instance of non-compliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned cost as item A-1.

### Internal Control Over Financial Reporting

In planning and performing my audit of the general purpose financial statements, I considered the Grant Parish Fire District No. 5, Inc.'s, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure 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 operation that I consider to be material weaknesses. However, I noted matters involving the internal control over financial reporting that I have reported to the management of the Grant Parish Fire District No. 5, Inc., in a separate letter dated June 30, 2004.

This report is intended for the information of the Board of Commissioners for the Grant Parish Fire District No. 5, Inc. and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Certified Public Accountant

Alexandria, Louisiana  
June 30, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups  
December 31, 2003

	Governmental Fund Type	Account Groups	
	General Fund	General Fixed Assets	General Long-term Debt
<b>Assets and Other Debits</b>			
<b>Assets</b>			
Cash	\$ 1,356	\$ 0	\$ 0
Investment - Certificate of Deposit	0	0	0
Accounts Receivable, Net	132,082	0	0
Buildings	0	108,403	0
Vehicles	0	587,032	0
Equipment	0	314,479	0
<b>Other Debits</b>			
Amount to be provided for the Retirement of General Long-term Debt	0	0	136,829
<b>Total Assets and Other Debits</b>	<b>\$ 133,438</b>	<b>\$ 1,009,914</b>	<b>\$ 136,829</b>
 <b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 17,336	\$ 0	\$ 0
Accrued Payroll Taxes Payable	492	0	0
Amount Due United States Department Agriculture			25,710
Amount Due Alexandria Municipal Employees Cr. Union	0	0	111,119
<b>Total Liabilities</b>	<b>17,828</b>	<b>0</b>	<b>136,829</b>
<b>Fund Balance</b>			
Investment in General Fixed Assets	0	1,009,914	0
<b>Fund Balances</b>			
Reserved - AED	49	0	0
Reserved - Truck Replacement	68,385	0	0
<b>Total Reserved</b>	<b>68,434</b>	<b>1,009,914</b>	<b>0</b>
<b>Unreserved:</b>			
Undesignated	47,176	0	0
<b>Total Fund Balance</b>	<b>115,610</b>	<b>1,009,914</b>	<b>0</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 133,438</b>	<b>\$ 1,009,914</b>	<b>\$ 136,829</b>

The accompanying notes are an



(Memorandum only)

<u>2003</u>	<u>2002</u>
\$ 1,356	\$ 8,084
0	5,667
132,082	118,859
108,403	105,103
587,032	581,882
314,479	223,295
<u>136,829</u>	<u>156,330</u>
\$ <u>1,280,181</u>	\$ <u>1,199,220</u>
\$ 17,336	\$ 7,737
492	651
25,710	31,425
<u>111,119</u>	<u>124,905</u>
154,657	164,718
1,009,914	910,280
49	49
<u>68,385</u>	<u>68,385</u>
68,434	68,434
<u>47,176</u>	<u>55,788</u>
<u>1,125,524</u>	<u>1,034,502</u>
\$ <u>1,280,181</u>	\$ <u>1,199,220</u>

integral part of this statement.

Grant Parish Fire District No. 5, Inc.  
Poflock, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -  
All Governmental Fund Types for the Year Ended December 31, 2003

	<i>Governmental Fund Types</i>		<i>Totals</i>	
	<i>General</i>	<i>Debt</i>	<i>Memorandum Only</i>	
	<i>Fund</i>	<i>Service</i>	<i>2003</i>	<i>2002</i>
<b>Revenues</b>				
Donations	\$ 14,461	\$ 0	\$ 14,461	\$ 12,101
Ad Valorem Taxes	141,671	0	141,671	125,164
Grant - State Forestry	750	0	750	1,600
Grant - USDA	0	0	0	94,275
Grant - Rural Development	0	0	0	19,780
Grant - FEMA	93,333	0	93,333	0
Interest	522	0	522	886
2% Insurance Rebates	9,233	0	9,233	8,327
Miscellaneous	4,322	0	4,322	3,204
<b>Total Revenues</b>	<u>264,292</u>	<u>0</u>	<u>264,292</u>	<u>265,337</u>
<b>Expenditures</b>				
Current				
General Government	31,595	0	31,595	24,814
Public Safety - Fire Department	109,502	0	109,502	118,806
Capital Outlays	102,252	0	102,252	153,767
Debt Service				
Principal	0	19,501	19,501	0
Interest	0	10,054	10,054	0
<b>Total Expenditures</b>	<u>243,349</u>	<u>29,555</u>	<u>272,904</u>	<u>297,387</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures Before Other				
Financing Sources (Uses)	20,943	(29,555)	(8,612)	(32,050)
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds	0	0	0	31,425
Transfers In	0	29,555	29,555	0
Transfers Out for Debt Retirement	(29,555)	0	(29,555)	0
<b>Total Other Financing Sources (Uses)</b>	<u>(29,555)</u>	<u>29,555</u>	<u>0</u>	<u>31,425</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(8,612)	0	(8,612)	(625)
<b>Fund Balance, Beginning</b>	<u>124,222</u>	<u>0</u>	<u>124,222</u>	<u>124,847</u>
<b>Fund Balance, Ending</b>	<u>\$ 115,610</u>	<u>\$ 0</u>	<u>\$ 115,610</u>	<u>\$ 124,222</u>

The accompanying notes are an integral part of this statement.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual for the Year Ended December 31, 2003 and  
With Comparative Actual Amounts for the Year Ended December 31, 2002

	2003		Variance Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
<b>Revenues</b>				
Donations	\$ 14,500	\$ 14,461	\$ (39)	\$ 12,101
Ad Valorem Taxes	136,281	141,671	5,390	125,164
State Forestry Grant	0	750	750	1,600
Grant - FEMA	0	93,333	93,333	0
Grant - USDA	0	0	0	94,275
Grant - Rural Development	0	0	0	19,780
Interest on Savings	2,000	522	(1,478)	886
2% Insurance Rebates	7,500	9,233	1,733	8,327
Miscellaneous	3,000	4,322	1,322	3,204
<b>Total Revenues</b>	<u>163,281</u>	<u>264,292</u>	<u>101,011</u>	<u>265,337</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	22,500	31,595	(9,095)	24,814
Public Safety - Fire Dept.	94,100	109,502	(15,402)	118,806
Capital Outlays	15,000	102,252	(87,252)	153,767
<b>Total Expenditures</b>	<u>131,600</u>	<u>243,349</u>	<u>(111,749)</u>	<u>297,387</u>
Excess of Revenues Over (Under) Expenditures	31,681	20,943	(10,738)	(32,050)
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds	0	0	0	31,425
Transfers Out - Debt Service	0	(29,555)	29,555	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(29,555)</u>	<u>29,555</u>	<u>31,425</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	31,681	(8,612)	18,817	(625)
Fund Balance, Beginning	0	124,222	0	124,847
Fund Balance, Ending	<u>\$ 31,681</u>	<u>\$ 115,610</u>	<u>\$ 18,817</u>	<u>\$ 124,222</u>

The accompanying notes are an integral part of this statement.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Notes to Financial Statements  
December 31, 2003

Note A. Summary of Accounting Policies

Grant Parish Fire District No. 5, Inc. Pollock, Louisiana, operates under a board of commissioners form of government and provides fire protection to the residents of Grant Parish, District No. 5.

The accounting and reporting policies of Grant Parish Fire District No. 5, Inc. conform to generally accepted accounting principles as applicable to local governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517b and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the Industry Audit Guide, "Audits of State and Local Governmental Units."

The following is a summary of the more significant policies:

A. The Reporting Entity

The Grant Parish Fire District No. 5, Inc., Pollock, Louisiana, for financial purposes includes all of the funds and account groups relevant to its operations.

Oversight responsibility on the part of the Grant Parish Fire District No. 5, Inc. was determined on the basis of the ability to create a component unit, the ability to appoint management or the governing board, and the scope of public service provided by the component unit. The financial statements presented herein do not include agencies which have been formed under applicable state laws and are separate and distinct units of government apart from the Grant Parish Fire District No. 5, Inc., Pollock, Louisiana.

B. Fund Accounting

The accounts of the district are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self balancing accounts which include its assets, liabilities, fund balance, revenues and expenditures, or expenses, as appropriate. The following funds and groups

(Continued)

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Notes to Financial Statements  
December 31, 2003

(Continued)

B. Fund Accounting (Continued)

of accounts are used by Grant Parish Fire District No. 5, Inc.

Governmental Fund Types:

General Fund -

The general fund is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund -

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

C. General Fixed Assets and General Long-Term Debt Account Groups

General Fixed Assets -

The general fixed assets account group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt -

The general long-term debt account group is used to account for long-term liabilities to be financed from government funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position.

(Continued)

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Notes to financial statements  
December 31, 2003  
(Continued)

C. General Fixed Assets and General Long-Term Debt Account Groups (Continued)

They are not involved with measurement of results of operations.

D. Basis of Accounting

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 measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Penalties and interest and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include (1) principal and interest on general long-term debt which is recognized when due; and (2) accumulated unpaid vacation and sick pay which is not accrued.

E. Budgets

The district follows the following procedures in establishing the budgets which reflect in the financial statements:

1. The chairman of the board prepares the budget for the ensuing year and presents same to the board of commissioners at the regular monthly meeting. Budget is

(Continued)

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Notes to Financial Statements  
December 31, 2003  
(Continued)

E. Budgets (Continued)

advertised in District's official journal. Notice for public input is advertised. Open discussion is held at the meeting as advertised in the official journal.

2. After completion of all action necessary to finalize the budget, the budget is adopted through passage of a motion.
3. All budgetary appropriations lapse at the end of the calendar year.

F. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the district's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost or amortized cost. Discounts and premiums on the purchase of investments, if any, are amortized over the life of the investment remaining from the date of purchase to the date of maturity. All investments consist of Certificates of Deposit with a maturity of more than 90 days and, therefore, are carried as investments.

G. Bad debts

Uncollectible amounts due for ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable.

H. Reserves

The district records reserves to indicate that a portion of fund equity is legally segregated for a specific use.

(Continued)

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Notes to Financial Statements  
December 31, 2003  
(Continued)

I. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are appropriation, is not employed by the district.

H. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the district's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

I. Property, Plant & Equipment - General Fixed Asset Account Group

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets group of accounts, rather than in governmental funds. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

J. Total Column on Combined Statements - Overview

Total column on the combined statements - overview is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(Continued)



Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Notes to Financial Statements  
December 31, 2003  
(Continued)

Note B. Cash and Investments

At year end, the carrying amount of the district's bank account were \$1,356 and the bank balance was \$5,549. This account was secured by FDIC insurance. The District's operating account bears 1% interest.

Note C. Property Taxes

The Grant Parish Sheriff's department as ex-officio tax collector and collects property tax on behalf of the district on the assessed values of property within the district. The taxes attach as an enforceable lien on property as of January 1 each year. For the year ended December 31, 2003, taxes of 11.20 mills were levied and they were dedicated for general operations.

Total taxes levied for 2003 were \$132,082. Taxes yet to be remitted by the Grant Parish Sheriff at December 31, 2003, were \$132,082.

Note D. Board Compensation and Per Diem

There was no compensation and/or per diem paid to any board members during the year ended December 31, 2003.

Note E. Retirement Commitments

All employees of the district are members of the Social Security System. The district is not liable for any other retirement commitment.

Note F. Lease Commitments

At December 31, 2003 the district had no material lease commitments.

Note G. Compensated Absences

The fire district does not allow compensated absences.

(Continued)

Grant Parish Fire District No. 5  
Pollock, Louisiana

Notes to Financial Statements  
December 31, 2003  
(Continued)

Note H. CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

At December 31, 2003 the Grant Parish Fire District No. 5, Inc. was not involved in any legal proceedings.

Note I. Changes in General Fixed Assets

A summary of changes in general fixed assets for 2003 is as follows:

	2003			
	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Beginning of the Year	\$ 105,103	\$ 581,882	\$ 223,295	\$ 910,280
Additions:				
General Fd.	3,300	5,150	2,334	10,784
State Grants	0	0	750	750
Fed. Grants	0	0	90,718	90,718
Total Addns.	<u>3,300</u>	<u>5,150</u>	<u>93,802</u>	<u>102,252</u>
Total Balances and Additions	108,403	587,032	317,097	1,012,532
Deletions	<u>0</u>	<u>0</u>	<u>(2,618)</u>	<u>(2,618)</u>
End of the Year	<u>\$ 108,403</u>	<u>\$ 587,032</u>	<u>\$ 314,479</u>	<u>\$ 1,009,914</u>

Note J. Changes in Long-term Debt

In 1999, the District entered into a loan agreement with the Alexandria Municipal Employees Credit Union, to finance a fire truck. The loan agreement requires 6% interest annually. The following is a summary of the changes in long-term debt for the year 2003:

Loan payable - January 1, 2002	\$124,905
Loan repaid	<u>13,786</u>
Loan Payable - December 31, 2003	<u>\$111,119</u>

(Continued)

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Notes to Financial Statements  
December 31, 2003  
(Continued)

Note J. Changes in Long-term Debt (Continued)

The annual requirements to amortize the loan outstanding at December 31, 2003, including interest payments is as follows:

Year Ending December 31,	Principal	Interest	Total
2004	\$ 15,931	\$ 6,667	\$ 22,598
2005	16,886	5,712	22,598
2006	17,899	4,699	22,598
2007	18,973	3,625	22,598
2008	20,112	2,486	22,598
2009	21,318	1,280	22,598
Total	<u>\$ 111,119</u>	<u>\$ 24,469</u>	<u>\$ 135,588</u>

In 2002, the District issued Certificates of Indebtedness, Series 2002, in the amount of \$31,425, dated March 26, 2002, bearing 4.72% interest. The certificates were issued to finance the purchase of a fire truck and were acquired by the United States Department of Agriculture. The following is a summary of the changes in long-term debt for the year 2003:

Certificates of Indebtedness - January 1, 2003	\$31,425
Certificates of Indebtedness retired in 2003	<u>5,715</u>
Certificates of Indebtedness - December 31, 2003	<u>\$25,710</u>

The annual requirements to amortize the loan outstanding at December 31, 2003, including interest payments is as follows:

Year Ending December 31,	Principal	Interest	Total
2004	\$ 5,987	\$ 1,222	\$ 7,209
2005	6,272	937	7,209
2006	6,569	639	7,208
2007	6,882	327	7,209
Total	<u>\$ 25,710</u>	<u>\$ 3,125</u>	<u>\$ 28,835</u>

Note K. Deficit Fund Balance

There were no deficit fund balances at December 31, 2003.

(Continued)

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Notes to Financial Statements  
December 31, 2003  
(Continued)

Note L. Expenditures in Excess of Appropriations

For the year ended December 31, 2003 the General Fund had incurred expenditures in excess of appropriations as follows:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess Appropriations</u>
General Fund	\$ <u>131,600</u>	\$ <u>272,904</u>	\$ <u>(141,304)</u>

NOTE M. Related and Third Party Transactions

Grant Parish Fire District No. 5, Inc. was not involved in any related or third party transactions.

NOTE N. Grants

During the year the District received grants from the following entities, for the purpose of purchasing fire fighting equipment:

Louisiana State Forestry Service	\$ 750
United States Department of Federal Emergency Management Assistance	93,333

All grant funds received were expended in 2003 for the purchase of fire fighting equipment costing \$98,952.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Schedule of Findings and Questioned Costs  
December 31, 2003

Finding A-1 - Adoption of the Budget

During the audit for the year ended December 31, 2003 it was noted that 2003 budget was not adopted before the end of 2002.

Louisiana Rev. Statute 39:1308 requires that the budget be adopted in an *open meeting and completed prior to the end of the fiscal year in progress.*

The budget for 2003 was advertised in December 2002 and a public hearing was held on January 16, 2003. The board adopted the 2003 budget in an open meeting of the board on January 16, 2003.

Recommendation: The budget must be presented to the Board no later than the November meeting. Notice of a public hearing to be held on the budget at a December meeting should be advertised in November. After the public hearing, the budget must be adopted at the regular December Board meeting.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

December 31, 2003  
Summary Schedule of Prior Audit Findings

<u>Findings</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action and Corrective Action Taken</u>
Adoption of the Budget	No	The budget in the future will be advertised in November of the preceding year and adopted at an open meeting in December of same year.
Publishing of Board minutes.	Yes	The Board started publishing their minutes beginning with the October 2003 meeting.
Chief's Supplemental Pay	Yes	Planned corrective action requires the Fire Chief to notify the appropriate parish personnel when any employee is no longer receiving qualifying wages.
Audit not completed within six months	Yes	Audit completed by June 30, 2004.

Financial Statements  
of Individual Funds and Account Groups

General Fund

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



Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

General Fund

Comparative Balance Sheets  
December 31, 2003 and 2002

	2003	2002
Assets		
Assets		
Cash	\$ 1,356	\$ 8,084
Certificate of Deposit	0	5,667
Property Taxes Receivable, Net	132,082	118,859
<b>Total Assets</b>	<b>\$ 133,438</b>	<b>\$ 132,610</b>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ 17,336	\$ 7,737
Accrued Payroll Taxes Payable	492	651
<b>Total Liabilities</b>	<b>17,828</b>	<b>8,388</b>
Fund Balance		
Reserved - AED	49	49
Reserved - Truck Replacement	68,385	68,385
<b>Total Reserved</b>	<b>68,434</b>	<b>68,434</b>
Unreserved - Undesignated	47,176	55,788
<b>Total Fund Balance</b>	<b>115,610</b>	<b>124,222</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 133,438</b>	<b>\$ 132,610</b>

The accompanying notes are an integral part of this statement.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual for the Year Ended December 31, 2003 and  
With Comparative Actual Amounts for the Year Ended December 31, 2002

	2003		Variance Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
<b>Revenues</b>				
Donations	\$ 14,500	\$ 14,461	\$ (39)	\$ 12,101
Ad Valorem Taxes	136,281	141,671	5,390	125,164
State Forestry Grant	0	750	750	1,600
Grant - FEMA	0	93,333	93,333	0
Grant - USDA	0	0	0	94,275
Grant - Rural Development	0	0	0	19,780
Interest on Savings	2,000	522	(1,478)	886
2% Insurance Rebates	7,500	9,233	1,733	8,327
Miscellaneous	3,000	4,322	1,322	3,204
<b>Total Revenues</b>	<u>163,281</u>	<u>264,292</u>	<u>101,011</u>	<u>265,337</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	22,500	31,595	(9,095)	24,814
Public Safety - Fire Dept.	94,100	109,502	(15,402)	118,806
Capital Outlays	15,000	102,252	(87,252)	153,767
<b>Total Expenditures</b>	<u>131,600</u>	<u>243,349</u>	<u>(111,749)</u>	<u>297,387</u>
Excess of Revenues Over (Under) Expenditures	31,681	20,943	(10,738)	(32,050)
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds	0	0	0	31,425
Transfers Out - Debt Service	0	(29,555)	29,555	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(29,555)</u>	<u>29,555</u>	<u>31,425</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	31,681	(8,612)	18,817	(625)
Fund Balance, Beginning	0	124,222	0	124,847
<b>Fund Balance, Ending</b>	<u>\$ 31,681</u>	<u>\$ 115,610</u>	<u>\$ 18,817</u>	<u>\$ 124,222</u>

The accompanying notes are an integral part of this statement.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) for the Year December 31, 2003  
2003 with Comparative Actual Amounts for the Year Ended December 31, 2002

	2003		Variance Favorable (Unfavorable)	Actual 2002
	Budget	Actual		
General Government				
Utilities	\$ 5,000	\$ 5,374	\$ (374)	\$ 4,368
Telephone	3,500	4,672	(1,172)	4,746
Office Supplies	5,500	6,611	(1,111)	4,677
Advertising	2,500	1,363	1,137	4,648
Bookkeeping and Audit	6,000	6,188	(188)	5,700
Service Charge	0	0	0	73
Dues and Subscriptions	0	1,812	(1,812)	0
Legal	0	3,397	(3,397)	602
Office Equipment Rental	0	1,630	(1,630)	0
Miscellaneous	0	548	(548)	0
Total General Government	<u>\$ 22,500</u>	<u>\$ 31,595</u>	<u>\$ (9,095)</u>	<u>\$ 24,814</u>
Public Safety - Fire Department				
Salaries	\$ 40,000	\$ 38,294	\$ 1,706	\$ 32,810
Payroll Taxes	3,000	3,092	(92)	3,261
Contract Labor	0	2,000	(2,000)	1,754
Small Equipment	0	0	0	13,199
Materials and Supplies	2,000	3,585	(1,585)	4,522
Insurance	18,000	19,078	(1,078)	22,179
Workman's Comp. Insurance	6,000	14,588	(8,588)	7,013
Repairs and Maintenance	15,000	15,349	(349)	21,331
Fuel	6,000	6,620	(620)	6,019
First Responder Supplies	1,500	452	1,048	1,977
Travel, Training and Food	1,500	3,985	(2,485)	3,154
Land Lease and Surety Bond	0	695	(695)	571
Medical	0	549	(549)	578
Uniforms	1,100	1,215	(115)	0
Miscellaneous	0	0	0	438
Total Public Safety - Fire Department	<u>\$ 94,100</u>	<u>\$ 109,502</u>	<u>\$ (15,402)</u>	<u>\$ 118,806</u>
Capital Outlays				
Vehicles	\$ 0	\$ 0	\$ 0	\$ 152,054
Equipment	15,000	102,252	(87,252)	1,713
Total Capital Outlays	<u>\$ 15,000</u>	<u>\$ 102,252</u>	<u>\$ (87,252)</u>	<u>\$ 153,767</u>
Totals	<u>\$ 131,600</u>	<u>\$ 243,349</u>	<u>\$ (111,749)</u>	<u>\$ 297,387</u>

The accompany notes are an integral part of this statement.

Debt Service Fund

To accumulate monies for payment of Loan payable due to Alexandria Municipal Employees Credit Union in annual installments of \$22,361, plus interest, through maturity in 2009 and to accumulate monies for the payment of Certificates of Indebtedness in annual installments through maturity in 2007.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Debt Service Fund

Comparative Balance Sheets  
December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Assets		
Assets		
Cash	\$ <u>0</u>	\$ <u>0</u>
Liabilities and Fund Balance		
Liabilities	\$ 0	\$ 0
Fund Balance		
Unreserved - Undesignated	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -  
for the Year Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenues	\$ 29,555	\$ 0
Expenditures		
Principal Payments	19,501	0
Interest	<u>10,054</u>	<u>0</u>
Total Expenditures	<u>29,555</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	0
Other Financing Sources (Uses)		
Transfers In	0	0
Transfers Out	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	0	0
Fund Balance, Beginning	<u>0</u>	<u>0</u>
Fund Balance, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

The accompanying notes are an integral part of this statement.

General Fixed Asset Account Group

To account for fixed assets acquired or donated.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Comparative Statement of General Fixed Assets  
December 31, 2003 and 2002

	2003	2002
General Fixed Assets, at Cost:		
Buildings	\$ 108,403	\$ 105,103
Vehicles	587,032	581,882
Equipment	314,479	223,295
Total General Fixed Assets	\$ 1,009,914	\$ 910,280
Investment in General Fixed Assets:		
General Fund Revenues	\$ 871,491	\$ 863,325
Contribution from Forestry Service	36,194	35,444
Contribution from DHHR	300	300
Rapides Foundation Grant	7,350	7,350
Federal - FEMA Grant	90,718	0
R. C. F. D. Grant	3,861	3,861
Total Investment in General Fixed Assets	\$ 1,009,914	\$ 910,280

The accompanying notes are an integral part of this statement.



Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Statement of Changes in General Fixed Assets  
Year Ended December 31, 2003

	2003			Totals
	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	
General Fixed Assets Beginning of Year	\$ 105,103	\$ 581,882	\$ 223,295	\$ 910,280
Additions:				
General Fund Revenues	3,300	5,150	2,334	10,784
Grant - FEMA	0	0	90,718	90,718
Grant - State Forestry	0	0	750	750
Total Additions	<u>3,300</u>	<u>5,150</u>	<u>93,802</u>	<u>102,252</u>
Total Balances and Additions	108,403	587,032	317,097	1,012,532
Deductions:	<u>0</u>	<u>0</u>	<u>(2,618)</u>	<u>(2,618)</u>
General Fixed Assets, End of Year	<u>\$ 108,403</u>	<u>\$ 587,032</u>	<u>\$ 319,715</u>	<u>\$ 1,009,914</u>

The accompanying notes are an integral part of this statement.

General Long-Term Debt Account Group

To account for unmatured principal amounts due on general long-term debt expected to be financed from governmental type funds. Payments of maturing principal and interest are accounted for in the debt service fund.

Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

Statement of General Long-Term Debt  
December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Amount to be Provided for the Payment of General Long-Term Debt Payable on Certificates of Indebtedness, dated March 26, 2002	\$ 25,710	\$ 31,425
Amount to be Provided for the Payment of General Long-Term Debt Payable to Alexandria Municipal Employees Credit Union	\$ <u>111,119</u>	\$ <u>124,905</u>
Total amount to be provided for the Payment of Long-Term Debt Payable	\$ <u><u>136,829</u></u>	\$ <u><u>156,330</u></u>
General Long-Term Debt Payable	\$ <u><u>136,829</u></u>	\$ <u><u>156,330</u></u>

The accompanying notes are an integral part of this statement.

# Roy K. Derbonne, Jr.

Certified Public Accountant  
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Alexandria, Louisiana 71301-6878

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The Honorable A. D. Futrell, Chairman of the Board  
and Members of the Board of Commissioners  
Grant Parish Fire District No. 5, Inc.  
Pollock, Louisiana

In planning and performing my audit of the general purpose financial statements and the combining and individual fund and account group financial statements of the Grant Parish Fire District No. 5, Inc., for the year ended December 31, 2003, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and the combining and individual fund and account group financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. A reportable condition involves matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the Grant Parish Fire District No. 5, Inc.'s, ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements and the combining and individual fund and account group financial statements.

## Finding 1 - Adoption of the Budget

During the audit for the year ended December 31, 2003 it was noted that the 2003 budget was not adopted before the end of 2002.

Louisiana Rev. Statue 39:1308 requires that the budget be adopted in an open meeting and completed prior to the end of the fiscal year in progress.

## Plan of Action

The budget will be prepared and presented to the Board in November. Notice of a public hearing on the budget will be published in November in the official journal of Grant Parish Fire District No. 5. After the public hearing in December, the budget shall be adopted at the regular December board meeting.

## Finding 2 - Grant Parish Fire District No. 5's financial records are not maintained at the main fire station

The District's financial records are kept at the fee accountant's office.

Plan of Action

The fire chief will make copies of all approved invoices, keeping the original invoice in the paid invoice file, and sending the copy to the fee accountant for entry into the District's financial records. All invoices, bank statements, monthly financial reports, general ledgers and minutes will be maintained at the main fire station.

Finding 3 - Need for Written Policy regarding Cell Phone Use

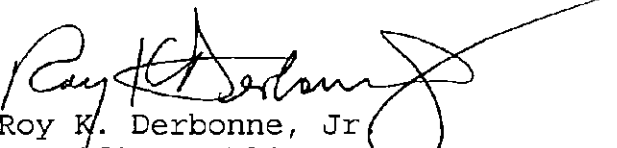
It is recommended that the District's Board of Commissioners establish a written policy regarding the issuance and use of cell phones provided by the district. The policy should establish the criteria for issuing phones, approving cell phone use, and that the cell phone contract be reviewed at least annually or when the contract comes up for renewal. It should also specify who is to be responsible for any minutes used in excess of the plans monthly contracted minutes.

Plan of Action

The fire chief, with the help of the board and the district's attorney, will establish a written policy regarding the use of cell phones provided by the district to any of its employees. Once the policy is formulated, it should be presented to the full Board of Commissioners for discussion, modification and adoption.

I wish to take this opportunity to thank the Chairman of the Board of Commissioners, Fire Chief and Treasurer for providing all records and documents which were requested.

This report is intended solely for the information and use of the Grant Parish Fire District No. 5, Inc.'s management, and others within the administration.

  
Roy K. Derbonne, Jr.  
Certified Public Accountant

June 30, 2004