



**Fire District No. 5 of  
Caddo Parish, Louisiana**

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**General Purpose Financial Report Statements**  
**Year Ended December 31, 2003**

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

Release Date 8-4-04

**Fire District No. 5 of  
Caddo Parish, Louisiana**

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### Independent Auditors' Report

Board of Commissioners  
Fire District No. 5 of Caddo Parish, Louisiana  
Shreveport, Louisiana

We have audited the accompanying general purpose financial statements of Fire District No. 5 of Caddo Parish, Louisiana, component unit of the Parish of Caddo, Louisiana as of and for the year ended December 31, 2003 as listed in the Table of Contents. These general purpose financial statements are the responsibility of Fire District No. 5 of Caddo Parish, Louisiana management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose component unit 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of Fire District No. 5 of Caddo Parish, Louisiana as of December 31, 2003, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2004, on our consideration of Fire District No. 5 of Caddo Parish, Louisiana's internal control over financial reporting and a report of our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

June 29, 2004

<i>December 31, 2003</i>	<b>Government Fund Types</b>		
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
<b>Assets and Other Debits</b>			
<b>Assets:</b>			
Cash and cash equivalents (Note 2)	\$ 39,211	\$	\$
Deposit – workers compensation	1,679		
Receivable from debt service fund	16,476		
Receivable capital projects fund	-		
Receivable from CPF#9	3,700		
Taxes and fees receivable net of all allowances for uncollectibles (Note 1 & 3)	247,041	95,911	
Due from other governmental units (Note 4)	8,200		
Land and buildings (Note 5)	-		
Equipment (Note 5)	-		
Vehicles (Note 5)	-		
Equipment under construction	-		
<b>Other Debits:</b>			
Capitalized bond cost	-	12,044	
Amount available in debt service fund	-	-	
Amount to be provided for retirement of general long-term obligations	-	-	
<b>Total assets</b>	<b>\$316,307</b>	<b>\$107,955</b>	<b>\$</b>

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Combined Balance Sheet - All  
Fund Types and Account Groups**

<u>Account Groups</u>		<u>Total Memorandum Only</u>	
<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>December 31, 2003</u>	<u>December 31, 2002</u>
\$	\$	\$ 39,211	\$ 885,212
		1,679	1,679
		16,476	19,757
		-	40,142
		3,700	3,108
-		342,952	306,014
-		8,200	6,175
587,827		587,827	232,693
106,915		106,915	227,455
698,682		698,682	459,321
			44,229
	-	12,044	14,454
	91,479	91,479	77,827
	603,521	603,521	657,173
<b>\$1,393,424</b>	<b>\$695,000</b>	<b>\$2,512,682</b>	<b>\$2,975,239</b>

*See accompanying summary of accounting policies and notes to financial statements.  
(Continued)*



<i>December 31, 2003</i>	<b>Government Fund Types</b>		
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 18,791	\$ -	\$ -
Payable to general fund	-	16,476	-
Debt service fund (Note 7)	-	-	-
<b>Total liabilities</b>	<b>18,791</b>	<b>16,476</b>	<b>-</b>
<b>Fund Equity and Other Credits and Investment in General Fixed Assets:</b>			
Investment in general fixed assets (note 5)	-	-	-
Designated for capital expenditures	-	-	-
Designated for operations	297,516	91,479	-
Undesignated	-	-	-
<b>Total fund equity</b>	<b>297,516</b>	<b>91,479</b>	<b>-</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$316,307</b>	<b>\$107,955</b>	<b>\$ -</b>

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Combined Balance Sheet – All  
Fund Types and Account Groups  
(Concluded)**

Account Groups		Total Memorandum Only	
General Fixed Assets	General Long-Term Debt	December 31, 2003	December 31, 2002
\$ -	\$ -	\$ 18,791	\$ 3,811
-	-	16,476	59,899
-	695,000	695,000	735,000
-	695,000	730,267	798,710
1,393,424		1,393,424	919,469
		-	841,696
		388,995	386,277
		-	29,085
1,393,424	-	1,782,419	\$2,176,527
\$1,393,424	\$695,000	\$2,512,686	\$2,975,237

*See accompanying summary of accounting policies and notes to financial statements.*

<i>Year Ended December 31, 2003</i>	<b>General Fund</b>	<b>Debt Service Fund</b>
<b>Revenues:</b>		
Taxes and fees	\$246,958	\$98,877
Intergovernmental:		
State revenue sharing	8,174	
Fire insurance tax	7,481	
State supplemental pay	10,800	
Service revenue	54,408	
Donations	1,000	
Interest income	2,712	
<b>Total revenues</b>	<b>331,533</b>	<b>98,877</b>
<b>Expenditures:</b>		
Salaries and benefits	199,097	-
State supplemental pay	10,800	-
Insurance other	38,978	-
Truck maintenance	11,619	-
Parish pension and collection expense	9,886	2,564
Fuel	5,898	-
Buildings and grounds	16,616	-
Utilities and telephone	11,055	-
Medical supplies	3,013	-
Firefighters supplies	9,036	-
Medical courses and training	7,320	-
Office supplies and expense	2,977	-
Professional fees	14,932	-
Repairs and maintenance-other	-	-
Bad debts expense	713	2,671
Amortization expense	-	2,410
Capital outlay	83,772	-
Equipment under construction	-	-
Principal retirement	-	40,000
Interest	-	37,580
<b>Total expenditure</b>	<b>425,712</b>	<b>85,225</b>

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Combined Statement of Revenues, Expenditures and Changes  
in Fund Balances – All Governmental Fund Types**



Total Memorandum Only

Capital Projects Fund	Year Ended December 31, 2003	Year Ended December 31, 2002
\$	\$ 345,835	\$315,106
-	8,174	6,175
-	7,481	6,791
-	10,800	10,800
-	54,408	-
-	1,000	-
5,459	8,171	20,388
5,459	435,869	359,260
-	199,097	150,315
-	10,800	10,800
-	38,978	21,765
-	11,619	11,937
-	12,450	11,949
-	5,898	2,714
-	16,616	8,464
-	11,055	7,171
-	3,013	3,035
-	9,036	6,754
-	7,320	8,235
-	2,977	3,754
-	14,932	10,864
-	-	1,770
-	3,384	30,624
-	2,410	1,205
792,995	876,767	-
-	-	42,286
-	40,000	35,000
-	37,580	37,998
\$792,995	\$1,303,932	\$406,640

*(Continued)*

*Year Ended December 31, 2003*

**General Fund**

**Debt Service Fund**

Excess of revenues over (under)  
expenditures

\$ (94,179)

\$ 13,652

**Fund balances-beginning**

391,695

77,827

**Fund balances-ending**

\$ 297,516

\$ 91,479

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Combined Statement of Revenues, Expenditures and Changes  
in Fund Balances – All Governmental Fund Types  
(Concluded)**

Total Memorandum Only			
Capital Projects Fund	Year Ended December 31, 2003		Year Ended December 31, 2002
\$(787,536)	\$(868,063)	\$ (47,380)	
787,536	1,257,058	1,304,438	
\$ -	\$ 388,995	\$1,257,058	

*See accompanying summary of accounting policies and notes to financial statements.*

## Fire District No. 5 of Caddo Parish, Louisiana

### Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Cash Basis) and Actual General Fund

<i>Year Ended December 31, 2003</i>	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes and fees	\$ 220,650	\$ 222,088	\$ 1,438
<b>Intergovernmental:</b>			
State revenue sharing	7,000	6,149	(851)
Fire insurance tax	7,400	7,481	81
Service revenue	44,400	49,950	5,550
State supplemental pay	10,800	10,800	-
Interest income	2,700	2,712	12
Miscellaneous revenues	-	1,000	1,000
<b>Total revenues</b>	<b>292,950</b>	<b>300,180</b>	<b>7,230</b>
<b>Expenditures:</b>			
Salaries and benefits	200,300	204,220	(3,920)
State supplemental pay	10,800	10,800	-
Insurance other	32,200	38,978	(6,778)
Truck maintenance	22,000	11,137	10,863
Parish pension and collection expense	12,000	9,886	2,114
Fuel	6,000	5,261	739
Buildings and grounds	7,800	16,616	(8,816)
Utilities and telephone	9,800	11,055	(1,255)
Firefighters supplies	11,000	9,036	1,964
Medical supplies	3,200	3,013	187
Office supplies	2,850	2,975	(125)
Professional fees	11,400	14,032	(2,632)
Capital outlay	-	75,149	(75,149)
<b>Total expenditures</b>	<b>329,350</b>	<b>412,158</b>	<b>(82,808)</b>
Excess of expenditures over revenues	(36,400)	(111,978)	(75,578)
<b>Fund balances, beginning</b>	<b>165,138</b>	<b>165,138</b>	<b>-</b>
<b>Fund balances, ending</b>	<b>\$ 128,738</b>	<b>\$ 53,160</b>	<b>\$(75,578)</b>

*See accompanying summary of accounting policies and notes to financial statement.*

# **Fire District No. 5 of Caddo Parish, Louisiana**

## **Summary of Accounting Policies**

### **Introduction**

Fire District No. 5 of Caddo Parish, Louisiana (the "District") was created by Ordinance No. 2143 adopted by the Caddo Parish Commission on April 25, 1984. The governing body of the District consists of a five member Board of Commissioners, appointed by the Caddo Parish Commission and is a component of the Parish of Caddo. Members serve two-year terms and do not receive compensation for their services. The District has five (5) full-time and three (3) part-time paid employees and numerous volunteers.

The District provides fire protection, emergency medical and rescue services for the people of the District. The twenty-four (24) hour manned station is equipped with two (2) Class A pumpers, an emergency medical/rescue truck, a 5,000 gallon tanker and other miscellaneous vital equipment. Two unmanned stations are each equipped with a Class A pumper/tanker truck.

### **Basis of Presentation**

The accompanying general purpose financial statements of the Caddo Parish Fire District No. 5 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.

### **Reporting Entity**

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

# **Fire District No. 5 of Caddo Parish, Louisiana**

## **Summary of Accounting Policies (Continued)**

### **Reporting Entity – (continued)**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Caddo Commission for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity are financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

Appointing a voting majority of an organization's governing body, and

- a. The ability of the Commission to impose its will on that organization and/or
- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Commission.

Organizations for which the Commission does not appoint a voting majority but are fiscally dependent on the Commission.

- 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 Caddo Parish Commission appoints the organization's governing body, the District was determined to be a component unit of the Caddo Parish Commission, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

# **Fire District No. 5 of Caddo Parish, Louisiana**

## **Summary of Accounting Policies (Continued)**

### **Fund Accounting**

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

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

2. Debt Service Fund – accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

#### **General Fixed Assets and General Long-Term Group:**

##### **General Fixed Assets Account Group:**

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes.

##### **General Long-Term Debt Account Group:**

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental fund types.

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Summary of Accounting Policies  
(Continued)**

**Fund Accounting –  
(continued)**

**Total Columns on Combined Statements:**

Total columns on the combined statements are captioned "MEMORANDUM ONLY" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows 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.

**Basis of Accounting**

*The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds.*

The governmental funds use the following practices in recording revenues and expenditures:

**Revenues Recognition:**

Ad valorem taxes attached as an enforceable lien on property as of January 1. Taxes are levied by the District in September or October, are actually billed to the taxpayers in November and are actually due and payable on or before January 1 of the following year. The District's ad valorem tax revenues are accrued and recognized when levied.

**Other Revenue:**

Other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

# **Fire District No. 5 of Caddo Parish, Louisiana**

## **Summary of Accounting Policies (Continued)**

### **Basis of Accounting – (continued)**

#### **Expenditures:**

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.

#### **Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

### **Budgets (Cash Basis)**

The budget for the General Fund is proposed and formally adopted by the Commissioners in the last quarter of the fiscal year following at least one budget planning session open to the public. The budget is prepared on the cash basis of accounting. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

The budget comparison statement included in the accompanying financial statements includes the original adopted budget (cash basis) and all subsequent amendments, if any.

Information presented in Note 11 to the financial statements reconciles the excess of revenues over expenditures for the General Fund as shown in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – all Governmental Fund Types to the Statement of Revenues, Expenditures and Changes in Fund Balances – budget (cash basis) and actual.

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Summary of Accounting Policies  
(Continued)**

**Cash and Cash Equivalents  
And Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The District considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents.

Under the 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.

Under the law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**Fixed Assets**

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during a construction is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, or estimated cost if historical cost is not available.

**Compensated Absences**

After one year of service, firemen earn 18 to 28 days of annual leave each year, depending on their length of service. Annual leave must be taken in the year earned. Unused annual leave cannot be accumulated. Upon termination, employees are paid for any earned but unused annual leave.

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Summary of Accounting Policies  
(Concluded)**

**Compensated Absences –  
(continued)**

Each full-time employee is entitled to full pay during sickness for a period of no more than 52 weeks, during any calendar year.

At December 31, 2003, employee leave benefits requiring recognition in accordance with GASB Codification Section C60 were determined to be immaterial and not included within the accompanying financial statements. The cost of leave privileges, computed in accordance with the above codification, is recognized as a current-year expenditure within the General Fund when leave is actually taken.

**Bad Debts**

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

**Long-Term Obligation**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

**Fund Equity**

**Reserves**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

**Designated Fund Balances**

Designated fund balances represent tentative plans for the future use of financial resources.

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Notes to Financial Statements**

**Ad Valorem Taxes and  
Structure Fees**

The following is a summary of authorized and levied ad valorem taxes and parcel fees:

	<b>2003 Millage &amp; Fees</b>	
	<b>Authorized</b>	<b>Levied</b>
Maintenance and Operation Tax	9.83	9.83
Structure Fees	\$75.00	\$75.00
Bond Tax	Variable	5.50

The differences between authorized and levied millages are the result of reassessment of the taxable property required by Article 7 Section 23 of the Louisiana Constitution of 1974.

**2. Cash and Cash  
Equivalents**

At December 31, 2003, the District's General Fund had cash and cash equivalents totaling \$39,211 as follows:

Demand Deposits	\$ 2,605
Money Market Accounts	36,456
Petty Cash	150
<b>Total</b>	<b>\$39,211</b>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Notes to Financial Statements  
(Continued)**

**3. Receivables**

Total taxes and fees levied were \$353,623. Taxes and fees receivable at December 31, 2003, consisted of the following:

Taxes Receivable	Total	General Fund		Debt
		Millage	Structure Fee	Service Fund
Current Roll	\$353,223	\$176,721	\$77,625	\$98,877
Less: Estimated Parish Pension Fund Cost and Collection Fees	13,966	5,017	5,822	3,127
Sub-Total	339,257	171,704	71,803	95,750
Less: Allowance for Uncollectible Taxes	10,271	5,151	2,154	2,966
Net Taxes Receivable	\$328,986	\$166,553	\$69,649	\$92,784

The General Fund Budgeted Expenditures for 2004 are \$347,342; accordingly, all of the fund balance as of December 31, 2003 are designated for operations in 2004.

**4. Due From Other Governmental Units**

Amounts due from other governmental units (excluding the ad valorem taxes) consist of the following:

Due from Caddo Fire District #9	\$ 3,700
Estimated State Revenue Sharing due	8,200
	<b>\$11,900</b>

**5. Changes in General Fixed Assets**

A summary of the changes in the General Fixed Assets Account Group is as follows:

	Balance 2002	Additions	Deletions	Balance 2003
Vehicles	\$459,321	\$239,361	\$ -	\$ 698,682
Equipment	227,455	32,217	152,757	106,915
Building and land	232,693	605,189	250,055	587,827
<b>Totals</b>	<b>\$919,469</b>	<b>\$876,767</b>	<b>\$402,812</b>	<b>\$1,393,424</b>

# Fire District No. 5 of Caddo Parish, Louisiana

## Notes to Financial Statements (Continued)

### 6. Louisiana Firefighters Retirement System Pension Note

*Plan Description.* Substantially all full-time employees of Fire District No. 5 of Caddo Parish, Louisiana are members of the Louisiana Firefighters Retirement System (System), a cost sharing, multiple-employers defined benefit pension plan administered by a separate board of trustees.

Membership in the System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection District that did not enact an ordinance prior to January 1, 1980, exempting itself from participation in the system. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service, or after age 50 with at least 20 years of creditable service. At retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) The plan also provides disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report can be obtained by writing to the Firefighters' Retirement System, 3100, Brentwood Drive, Baton Rouge, Louisiana 70809, by calling (504) 925-4060 or [www.lafirefightersret.com](http://www.lafirefightersret.com).

*Funding Policy.* Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Fire Protection District No. 5 of Caddo Parish is required to contribute at an actuarially determined rate. The current rate is 21 percent of annual covered Payroll. Contribution requirements of plan members and the Fire Protection District No. 5 of Caddo Parish are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation for the prior fiscal year. The District's contributions to the System for the years ended December 2003, 2002 and 2001 were \$19,553, \$10,868 and \$8,221, respectively.

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Notes to Financial Statements  
(Continued)**

**7. Changes in Long-Term Debt**

On November 20, 1999, the voters of the Fire District approved the issuance of bonded indebtedness of \$800,000. The fifteen (15) year bonds were sold in June 2000. The proceeds received are to be used to acquire or build a new fire station, purchase fire trucks and fire protection equipment.

The note provides for one annual principal payment in full on March 1 and a semi-annual interest payment on September 1.

The following is a summary of bond transactions of the District for the year ended December 31, 2003.

Bonds payable at December 31, 2002	\$735,000
Bonds retired	(40,000)
<hr/>	
Bonds payable at December 31, 2003	\$695,000

The annual requirements to amortize bonded debt as of December 31, 2003, including interest payments are as follows:

Year Ending December 31	Total Principal and Interest Due	Principal Due	Interest Due
2004	\$ 76,580	\$ 40,000	\$ 36,580
2005	80,193	45,000	35,193
2006	78,505	45,000	33,505
2007	81,480	50,000	31,480
2008	79,105	50,000	29,105
2009	81,205	55,000	26,205
2010	82,155	60,000	22,155
2011	78,075	60,000	18,075
2012	79,575	65,000	14,575
2013	80,795	70,000	10,795
2014	81,698	75,000	6,698
2015	82,280	80,000	2,280
<hr/>			
	\$961,646	\$695,000	\$266,646

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Notes to Financial Statements  
(Continued)**

- 8. Commitments and Contingencies**      The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District carries commercial insurances for all risks of loss, including workers compensation.
- 9. Related Party Transactions**      The family of a member of the board of directors contributed the land upon which Fire Station 1 is located. Under the terms of the donation, if the building ever ceases to be used for public safety, the property reverts to the donors. Accordingly, the accompanying financial statements do not reflect the value of the land in the General Fixed Assets Group of accounts.
- 10. On-Behalf Payments For Fringe-Benefits and Salaries**      GASB Statement No. 24 requires that on behalf payments be recognized as both revenue and expenditure by an employer governmental entity. In accordance with this Statement, \$10,800 has been recognized in both inter governmental revenue-state supplemental pay and public safety expenditure due to on-behalf payments for fringe benefits and salaries.
- 11. Service Revenue**      In October 2002, the District entered into an agreement with Caddo Fire District Number 9. Under the terms of the agreement, the District will provide one on-site firefighter and pay recurring operation costs of Caddo Fire District Number 9 in return for a payment of \$3,700 per month. The accompanying financial statements reflect total revenue of \$54,708 due to certain payments in 2004 for services rendered in 2003.
- 12. Comparison of Budget and Actual Expenditures on a Budgetary (Cash) Basis**      As discussed in the Summary of Accounting Policies, the District's budget is prepared on a cash basis and its general purpose financial statements are presented on the basis prescribed by generally accepted accounting principles. The following table presents a reconciliation between the two bases of accounting and the comparison to budgeted amounts based on the cash basis of accounting.

# Fire District No. 5 of Caddo Parish, Louisiana

## Notes to Financial Statements (Concluded)

### 12. Comparison of Budget and Actual Expenditures on a Budgetary (Cash) Basis (Concluded)

<i>December 31, 2003</i>	Actual On GAAP Basis	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Taxes and fees	\$246,958	\$(24,870)	\$222,088	\$220,650	\$ 1,438
Intergovernmental:					
State revenue sharing	8,174	(2,025)	6,149	7,000	(851)
Fire insurance tax	7,481	-	7,481	7,400	81
State supplemental pay	10,800	-	10,800	10,800	-
Service revenue	54,408	(4,458)	49,950	44,400	5,500
Interest income	2,712	-	2,712	2,700	12
Miscellaneous revenues	1,000	-	1,000	-	1,000
<b>Total revenues</b>	<b>331,533</b>	<b>(31,353)</b>	<b>300,180</b>	<b>292,950</b>	<b>7,230</b>
<b>Expenditures:</b>					
Salaries and related benefits	179,554	-	179,554	175,800	(3,754)
State supplemental pay	10,800	-	10,800	10,800	-
Professional fees	14,932	(900)	14,032	11,400	(2,632)
Insurance other	38,978	-	38,978	32,200	(6,778)
Firefighters' retirement system	19,543	(2,197)	17,346	17,500	154
Utilities and telephone	11,055	-	11,055	9,800	(1,255)
Capital outlay	83,772	(8,623)	75,149	-	(75,149)
Fuel	5,898	(637)	5,261	6,000	739
Medical and firefighters' supplies	12,049	-	12,049	14,200	2,151
Tax collection fees	9,886	-	9,886	12,000	2,114
Medical courses and training	7,320	-	7,320	7,000	(320)
Truck maintenance	11,619	(482)	11,137	22,000	10,863
Office supplies expense	2,977	(2)	2,975	2,850	(125)
Building and grounds	16,616	-	16,616	7,800	(8,816)
Bad debt expense	713	(713)	-	-	-
<b>Total expenditures</b>	<b>425,712</b>	<b>(13,554)</b>	<b>412,158</b>	<b>329,350</b>	<b>(82,808)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$(94,179)</b>	<b>\$(17,799)</b>	<b>\$(111,978)</b>	<b>\$(36,400)</b>	<b>\$(75,578)</b>



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**Independent Auditors' Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards***

**Board of Commissioners  
Fire District No. 5 Caddo Parish, Louisiana  
Shreveport, Louisiana**

We have audited the general purpose financial statements of Fire District No. 5 of Caddo Parish, Louisiana, a component unit of the Parish of Caddo, Louisiana as of and for the year ended December 31, 2003, and have issued our report thereon dated June 29, 2004. We conducted our 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 Fire District No. 5 of Caddo Parish, Louisiana general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests revealed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Compliance Findings.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Fire District No. 5 of Caddo Parish, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our 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 t 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. Board of Commissioners

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, Caddo Parish Commission and the Louisiana Legislature Auditor.

*R. Robertson, Bailes & McClelland LLP*

Robertson, Bailes & McClelland, L.L.P.

Shreveport, Louisiana  
June 29, 2004

**Fire District No. 5 of  
Caddo Parish, Louisiana**

**Schedule of Compliance Findings**

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The results of our tests disclosed the following instance of noncompliance:

**Failure to comply with state law**

**Instance of Noncompliance**

The District failed to comply with state law (LA R.S. 24:513) since the annual report for the year ended December 31, 2003 was not submitted to the Louisiana Legislative Auditor's Office until after June 30, 2004, the statutory date.

***Reason for Noncompliance***

As a result of the new independence requirements under *Government Auditing Standards*, the District engaged a new auditor for the year ended December 31, 2003. Due to a lack of familiarity with the District's accounting procedures and practices, the auditor misjudged the time required to complete the audit; therefore, the audit was not completed and issued by the statutory due date.

***Management's Plan of Corrective Action***

As stated in the compliance findings, this instance of noncompliance was not caused by any action on the part of the District. We have discussed the situation with our new auditor and have been assured this will not happen in future years.