

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

**ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2011**

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 **JUN 13 2012**

**MARSHA O. MILLICAN  
A PROFESSIONAL ACCOUNTING CORPORATION  
SHREVEPORT, LOUISIANA**

**CADDO PARISH FIRE DISTRICT NO. 6**

**Keithville, Louisiana**

**December 31, 2011**

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**Marsha O. Millican**

**A PROFESSIONAL ACCOUNTING CORPORATION**

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying basic financial statements of Caddo Parish Fire District No. 6, (the District) a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Caddo Parish Fire District No. 6's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that 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 position of the District of December 31, 2011, and the respective changes in financial position for year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 24 and 25, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with *Governmental Auditing Standards*, I have also issued a report dated May 3, 2012 on my consideration of Caddo Parish Fire District No. 6's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

*Mancha D. Millucan*

Certified Public Accountant  
May 3, 2012

# **CADDO PARISH FIRE DISTRICT NO. SIX**

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

**C. MIKE MC CULLOUGH, CHAIRMAN  
DON RAZINSKY, VICE-CHAIRMAN  
MARILYN Y. SMITH, SECRETARY/TREASURER  
PAT MICIOTTO  
DAMON JOHNSON, FIRE CHIEF  
MIKE MACKEY, ASSISTANT FIRE CHIEF**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Caddo Parish Fire District No. 6's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2011. Please read it in conjunction with the District's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The District had total net assets of \$1,286,615 at year end which represents an increase from the prior year of \$137,965.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

These financial statements consist of the following - Management's Discussion and Analysis (this section), the basic financial statements, and Notes to Financial Statements. These components are described below:

#### ***Basic Financial Statements***

This annual report consists of a series of financial statements. The Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and Cash Flows provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

**FINANCIAL ANALYSIS OF THE ENTITY**

*Net Assets*

Net assets may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$1,285,615 as of December 31, 2011.

The District's major assets are its fixed assets of \$473,817 representing its investment in capital assets such as land, buildings and improvements, equipment and furniture, less the related debt used to acquire those assets that is still outstanding. The District owed \$0 at year end on the debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending. Revenues needed to repay the related debt will be provided through tax assessments on property located within the District.

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

	2011	2010
Current assets	\$ 847,880	\$ 720,690
Capital assets	473,817	454,737
Total Assets	<u>1,321,697</u>	<u>1,175,427</u>
Current liabilities	36,082	27,777
Noncurrent liabilities	-	-
Total liabilities	<u>36,082</u>	<u>27,777</u>
Invested in capital assets, net of related debt	473,817	454,737
Restricted for debt service	-	-
Unrestricted	<u>811,798</u>	<u>692,913</u>
Total net assets	<u>\$ 1,285,615</u>	<u>\$ 1,147,650</u>

***Changes in Net Assets***

The District's net assets increased by \$137,965 or 12% during the year ended December 31, 2011. Approximately 56% (\$487,273) of the District's total revenue was derived through property taxes, while approximately 36% (\$316,378) was derived through charges for services (structure fees). Expenses incurred by the District are primarily for the provision of fire protection and emergency medical treatment to the citizens of the District. Approximately 60% (\$453,776) of the District's expenses are for salaries and related payroll taxes and employee benefits.

In 2011, governmental activity revenue exceeded expenses, resulting in an increase in net assets of \$137,965.

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

	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 316,378	\$ 325,158
General revenues:		
Property taxes	487,273	428,148
Other	<u>72,901</u>	<u>199,457</u>
Total revenues	<u>876,552</u>	<u>952,763</u>
<b>Expenses:</b>		
Public safety - fire protection	738,587	634,586
Interest on long-term debt	<u>-</u>	<u>3,833</u>
Total expenses	<u>738,587</u>	<u>638,419</u>
Increase (Decrease) in net assets	137,965	314,344
Net assets, beginning of year	<u>1,147,650</u>	<u>833,306</u>
Net assets, end of year	<u>\$ 1,285,615</u>	<u>\$ 1,147,650</u>

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

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

### ***Governmental Funds***

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

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$786,922.

All of the combined ending fund balances is unreserved and available for spending in the coming year.

The general fund is the chief operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. The fund balance of the general fund increased by \$116,912 during 2011.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

The District's budget was amended during 2011.

The actual expenditures were \$4,516 less than budgeted; and the actual revenues equalled budgeted revenue.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### ***Capital Assets***

The District's investment in capital assets for its governmental activities as of December 31, 2011, totaled \$1,569,297, net of accumulated depreciation of \$1,095,480, leaving a book value of \$473,817. This investment in capital assets includes fire stations (land, buildings and improvements), fire trucks, emergency response vehicles, fire fighting and rescue equipment, office equipment and furniture (equipment and furniture).

Actual costs to purchase capital assets was \$69,983 for the year. Depreciation charges for the year totaled \$50,903.

### ***Debt Administration***

At December 31, 2011, the District had no long-term debt.

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

The following economic factors were considered when the budget for the fiscal year ended December 31, 2012 was prepared.

Revenues are expected to stay consistent for 2012.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the finances of the Caddo Parish Fire District No. 6 for all of the District's citizens, taxpayers, investors, and creditors. This financial report seeks to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Damon Johnson, Fire Chief, Caddo Parish Fire District No. 6, 11450 Old Mansfield Road, Keithville, Louisiana 71047 or by calling (318) 925-8791.

**CADDO PARISH FIRE DISTRICT NO. 6**

Statement of Net Assets  
December 31, 2011

<b>Assets</b>	<b>Governmental Activities</b>
Cash and cash equivalents	\$ 117,461
Ad valorem taxes receivable	461,670
Fire protection service charges receivable	200,981
Ambulance receivables	30,336
Prepaid Insurance	37,432
Capital assets - net of accumulated depreciation	<u>473,817</u>
<b>Total Assets</b>	<b><u>1,321,697</u></b>
<b>Liabilities</b>	
Accounts payable	36,082
Long term liabilities:	
Payable within one year	-
Payable after one year	<u>-</u>
<b>Total Liabilities</b>	<b><u>36,082</u></b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	473,817
Restricted for:	
Debt service	-
Unrestricted	<u>811,798</u>
<b>Total Net Assets</b>	<b><u>\$ 1,285,615</u></b>

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

CADDO PARISH FIRE DISTRICT NO. 6

Statement of Activities

For the Year Ended December 31, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Capital Grants and Contributions	
<b>Governmental Activities:</b>				
Public safety-fire protection	\$ 738,587	\$ 316,378	\$ -	\$ (422,209)
Interest on long term debt	-	-	-	-
<b>Total Governmental Activities</b>	\$ 738,587	\$ 316,378	\$ -	\$ (422,209)
<b>General Revenues:</b>				
Taxes				
Ad valorem taxes				487,273
State fire insurance rebate				19,830
State revenue sharing				11,797
State supplemental pay				14,183
Donations				7,480
Interest Earned				6,035
Miscellaneous				13,576
<b>Total General Revenues</b>				<b>560,174</b>
<b>Change in Net Assets</b>				<b>137,965</b>
<b>Net Assets, beginning of year</b>				<b>1,147,650</b>
<b>Net Assets, end of year</b>				<b>\$ 1,285,615</b>

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

**CADDO PARISH FIRE DISTRICT NO. 6**

Balance Sheet  
Governmental Fund  
December 31, 2011

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<b>ASSETS</b>	
Cash	\$ 117,461
Ad valorem taxes receivable	461,670
Fire protection service charges receivable	200,981
Ambulance fees receivable	30,336
Prepaid insurance	<u>37,432</u>
<b>Total Assets</b>	<b>\$ <u>847,880</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable and accruals	\$ 36,082
Deferred revenue	<u>24,876</u>
<b>Total Liabilities</b>	<b><u>60,958</u></b>
 <b>Fund Balance</b>	
<b>Nonspendable:</b>	
Prepaid expenses	37,432
Unassigned	<u>749,490</u>
<b>Total Fund Balance</b>	<b><u>786,922</u></b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ <u>847,880</u></b>

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

**CADDO PARISH FIRE DISTRICT NO. 6.**

**Reconciliation of Fund Balances on the Balance Sheets  
for Governmental Funds to Net Assets of  
Governmental Activities on the Statement of Net Assets  
For the Year Ended December 31, 2011**

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<b>Fund Balances - Total Governmental Funds</b>	<b>786,922</b>
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Add: Capital Assets	1,569,297
Deduct: Accumulated Depreciation	(1,095,480)

Other long term assets are not available to pay for current period expenditures and are deferred in the funds.	-
	<u>24,876</u>

<b>Net Assets of Governmental Activities</b>	<b><u><u>\$ 1,285,615</u></u></b>
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**The notes to financial statements are an integral part of this statement.**

**CADDO PARISH FIRE DISTRICT NO. 6**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Total</u>
<b>Revenues:</b>	
Ad valorem taxes	\$ 485,293
Fire protection fees	211,722
Ambulance fees	104,656
Intergovernmental revenues:	
State fire insurance rebate	19,830
State revenue sharing	11,797
State supplemental pay	14,183
Grants	7,480
Donations	120
Interest earned	6,035
Miscellaneous	<u>13,436</u>
<b>Total Revenues</b>	<u>874,552</u>
<b>Expenditures:</b>	
Current:	
Fire protection	757,640
Debt service:	
Principal	-
Interest	<u>-</u>
<b>Total Expenditures</b>	<u>757,640</u>
<b>Net changes in fund balance</b>	116,912
<b>Fund Balances, Beginning of Year</b>	<u>670,010</u>
<b>Fund Balances, End of Year</b>	<u>\$ 786,922</u>

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

**CADDO PARISH FIRE DISTRICT NO. 6**

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2011**

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 116,912</b>
Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$69,983) exceeds depreciation (\$50,930)	19,053
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net effect of prior year and current year deferred revenue.	<u>2,000</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 137,965</u></b>

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

## CADDO PARISH FIRE DISTRICT NO. 6

Notes to Financial Statements  
December 31, 2011

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### INTRODUCTION

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

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

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

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. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; Omnibus; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and Government Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

#### **Reporting Entity**

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

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

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

## CADDO PARISH FIRE DISTRICT NO. 6

Notes to Financial Statements  
December 31, 2011

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

### **Government-Wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

## CADDO PARISH FIRE DISTRICT NO. 6

Notes to Financial Statements

December 31, 2011

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

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

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

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

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

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

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

**Fund Accounting**

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

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

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

## CADDO PARISH FIRE DISTRICT NO. 6

### Notes to Financial Statements

December 31, 2011

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

#### **Budget and Budgetary Control**

A budget for the ensuing year is prepared by the fire chief and approved by the board of commissioners prior to December 31st of each year. The proposed budget is prepared on a cash basis of accounting that is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The budget is legally adopted and amended, as necessary, by the board of commissioners. The board reserves all authority to make changes to the budgets. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The budget was amended in 2009.

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

#### **Cash and Cash Equivalents**

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

#### **Use of Estimates**

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

#### **Capital Assets**

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

**CADDO PARISH FIRE DISTRICT NO. 6**

Notes to Financial Statements  
December 31, 2011

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

**Long-term obligations**

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

**Receivables**

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are fully collectible.

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

**Net Assets/Fund Balances**

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

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

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

*Unrestricted Net Assets* - This category represents net assets not appropriate for expenditures or legally separated for a specific future use.

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

*Unassigned* - The unassigned fund balance for governmental funds represent the amount available for budgeting future operations.

*Nonspendable* - This classification includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

**CADDO PARISH FIRE DISTRICT NO. 6**

**Notes to Financial Statements  
December 31, 2011**

**2. Cash and Cash Equivalents:**

At December 31, 2011, the District has cash and cash equivalents as follows:

	Bank Balances	Book Balances
Interest-bearing demand deposits	\$ 128,301	\$ 117,461

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank that is mutually acceptable to both parties. At December 31, 2011, all deposits were insured by FDIC insurance.

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

The District levies taxes on real and business personal property within its boundaries on November 1st of each year. Property taxes are due before December 31st and attach as an enforceable lien on property as of January 1st of the following year.

On October 1, 1994, the voters of the District authorized a ten (10) year ten (10) mill ad valorem tax. The purpose of the tax is for maintaining and operating fire protection facilities, purchasing fire trucks and other fire fighting equipment, and paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and services.

On October 1, 2010, the voters of the District authorized a ten (10) year six (6) mill ad valorem tax. The purpose of the tax is for acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment for the District.

For the year ended December 31, 2011, total ad valorem taxes of 12 mills were levied on property with assessed valuations totaling \$29,832,240 the application of homestead exemptions and adjudicated property. Total taxes levied at December 31, 2011, for operations were \$477,316.

The voters of the District also approved the levying of a \$75 service charge (structure fee) for each residential or commercial structure. Total service charges levied at December 31, 2011, were \$217,350.

**CADDO PARISH FIRE DISTRICT NO. 6**

Notes to Financial Statements

December 31, 2011

4. **Receivables:**

A summary of receivables at December 31, 2011, which are fully collectible, follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Ad valorem taxes	\$ 461,984	\$ (314)	\$ 461,670
Ambulance fees	30,336	-	30,336
Service charges	207,197	(6,216)	200,981
	<u>\$ 699,517</u>	<u>\$ (6,530)</u>	<u>\$ 692,987</u>

5. **Capital Assets:**

Capital asset activity for the year ended December 31, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Government activities:			
Capital assets, being depreciated:			
Buildings & improvements	\$ 629,652	\$ -	\$ 629,652
Equipment & furniture	866,075	69,983	936,058
Total	<u>1,495,727</u>	<u>69,983</u>	<u>1,565,710</u>
Less accumulated depreciation			
Buildings & improvements	(286,410)	(6,965)	(293,375)
Equipment	(758,167)	(43,938)	(802,105)
Total	<u>(1,044,577)</u>	<u>(50,903)</u>	<u>(1,095,480)</u>
Land	3,587	-	3,587
Net capital assets	<u>\$ 454,737</u>	<u>11,810</u>	<u>\$ 473,817</u>

## CADDO PARISH FIRE DISTRICT NO. 6

### Notes to Financial Statements

December 31, 2011

6. ***Risk Management:***

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

7. ***Pension Plan:***

**Firefighter's Retirement System of Louisiana**

**Plan Description**

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

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

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

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

**Funding Policy**

Plan members are required to contribute 8.0% - 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The employer contribution rate ranges from 21.50% of annual covered payroll to 23.25%. The contributions requirements of plan members and the District are established and may be amended by a state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System for the year ending December 31, 2011, was \$30,414 based on eligible wages of \$135,240.

**CADDO PARISH FIRE DISTRICT NO. 6**

**Notes to Financial Statements**

**December 31, 2011**

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

Supplemental salary payments are made by the State directly to certain firemen employed by the District. GASB Statement No. 24 requires that on-behalf payments be recognized as both revenue and expenditure by an employer government entity. In accordance with this Statement, \$36,706 has been recognized as both intergovernmental revenue (state supplemental pay) and salaries in the General Fund.

**9. *Per Diem Paid to Commissioners:***

The District has a volunteer board; therefore, no per diem amounts were paid during the period.

**10. *Reconciliation of Differences between the Budgetary-Based Fund Financial Statements and the GAAP-Based Fund Financial Statements:***

As discussed in Note 1, the budget is prepared on a cash basis of accounting. However, the modified accrual basis of accounting is used for fund financial reporting purposes in accordance with GAAP. Exhibit 1 on page 24 is a reconciliation of revenues and expenditures recognized in accordance to the budgetary basis (cash basis) for the year ended December 31, 2011.

**CADDO PARISH FIRE DISTRICT NO. 6**

**Budgetary/GAAP Reporting Reconciliation**

December 31, 2011

<b>Budgetary/GAAP Reporting Reconciliation</b>			
<b>General Fund</b>			
	<b>Actual on GAAP Basis</b>	<b>Adjustment to Budgetary Basis</b>	<b>Actual on Budgetary Basis</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 485,293	\$ (42,782)	\$ 442,511
Fire Protection fees	211,722	2,431	214,153
Ambulance fees	104,656	6,085	110,741
Intergovernmental		-	
State fire insurance rebate	19,830	-	19,830
Grants	7,480	-	7,480
State revenue sharing	11,797	-	11,797
State supplemental pay	14,183	(14,183)	-
Interest earned	6,035	-	6,035
Miscellaneous	13,556	-	13,556
<b>Total revenues</b>	<b>874,552</b>	<b>(48,449)</b>	<b>826,103</b>
<b>Expenditures:</b>			
<b>Current fire protection:</b>			
Ambulance expense	42,479	(76)	42,403
Operating & maintenance	140,930	(5,418)	135,512
Payroll expenses	453,776	(16,476)	437,300
Sheriff fees	29,331	-	29,331
Workmans Compensation	21,431	-	21,431
Capital Outlay	69,693	-	69,693
<b>Total expenditures</b>	<b>757,640</b>	<b>(21,970)</b>	<b>735,670</b>
<b>Net change in fund balance</b>	<b>116,912</b>	<b>(26,479)</b>	<b>90,433</b>
<b>Fund Balance, Beginning</b>	<b>670,010</b>		
<b>Fund Balance, Ending</b>	<b>\$ 786,922</b>		

**CADDO PARISH FIRE DISTRICT 6**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual**  
**(Cash Basis)**  
**General Fund**  
**For the Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Budgetary Basis</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 431,145	\$ 442,511	\$ 442,511	\$ -
Fire protection service fees	216,975	214,153	214,153	-
Ambulance fees	115,250	110,741	110,741	-
Intergovernmental				
State fire insurance rebate	20,000	19,830	19,830	-
State revenue sharing	12,000	11,797	11,797	-
Grants	-	-	7,480	7,480
Interest earned	7,500	6,035	6,035	-
Miscellaneous	13,500	21,036	13,556	(7,480)
<b>Total revenues</b>	<u>816,370</u>	<u>826,103</u>	<u>826,103</u>	<u>-</u>
<b>Expenditures:</b>				
General government	766,370	666,575	665,707	868
Capital outlay	50,000	73,671	69,963	3,708
Debt Service	-	-	-	-
<b>Total expenditures</b>	<u>816,370</u>	<u>740,246</u>	<u>735,670</u>	<u>4,576</u>
<b>Excess Revenues</b>				
<b>Over Expenditures</b>	-	85,857	90,433	4,576
<b>Fund Balances, Beginning</b>	<u>670,010</u>	<u>670,010</u>	<u>670,010</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 670,010</u>	<u>\$ 755,867</u>	<u>\$ 760,443</u>	<u>\$ 4,576</u>



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

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

I have audited the component unit financial statements of Caddo Parish Fire District No. 6 as of and for the year ended December 31, 2011, and have issued my report thereon dated May 3, 2012. 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.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Caddo Parish Fire District No. 6's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected on a timely basis.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo Parish Fire District No. 6's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

810 WILKINSON  
SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641

This report is intended solely for the information and use of management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Manuel D. Meliciano*

Certified Public Accountant  
May 3, 2012

Caddo Parish Fire District No. 6

Corrective Action Taken on Prior Year Findings

Year Ended December 31, 2011

There were no findings for the year ended December 31, 2010.

Caddo Parish Fire District No. 6

Schedule of Findings and Questioned Costs:

Year Ended December 31, 2011

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit were reported.
3. No instances of noncompliance material to the financial statements of the District was disclosed during the audit.

There were no findings for the year ended December 31, 2011.