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**FIRE DISTRICT NO. 6  
OF CADDO PARISH, LOUISIANA  
GENERAL PURPOSE FINANCIAL REPORT STATEMENTS  
DECEMBER 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

Reference: MS.S.5.266

**FIRE DISTRICT NO. 6 OF CADDO PARISH, LOUISIANA  
DECEMBER 31, 1997**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

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

We have audited the accompanying general purpose financial statements of Fire District No. 6 of Caddo Parish, Louisiana, component unit of the Parish of Caddo, Louisiana, as of and for the year ended December 31, 1997. These general purpose financial statements are the responsibility of Fire District No. 6 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. 6 of Caddo Parish, Louisiana, as of December 31, 1997, 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 15, 1998, on our consideration of Fire District No. 6 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.



Agee & Agee, P.C.  
Shreveport, Louisiana

June 15, 1998

FDIC DISTRICT NUMBER 6 OF LAFAYETTE PARISH, LOUISIANA  
 COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1997

EXHIBIT A

ASSETS	GENERAL FUND	GENERAL FIXED ASSETS	MEMORANDUM (PL. 1) YEAR ENDED DECEMBER 31	
			1997	1996
CASH AND CASH EQUIVALENTS (NOTES 1 & 2)	\$68,631		\$68,631	\$63,602
DEPOSIT - MEMBERS COMPENSATION	2,580		2,580	2,580
TRUSTS AND FEES RECEIVABLE NET OF ALLOWANCES FOR UNCOLLECTIBLES (NOTES 3 & 4)	276,961		276,961	268,948
DOE FROM OTHER GOVERNMENTAL UNITS (NOTES 3 & 5)	9,183		9,183	9,021
LAND AND BUILDINGS (NOTE 6)		\$230,793	230,193	248,778
EQUIPMENT (NOTE 6)		\$34,417	339,417	314,388
TOTAL ASSETS	<u>\$355,295</u>	<u>\$672,610</u>	<u>\$1,627,675</u>	<u>\$991,338</u>
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES:				
LITIGATION SETTLEMENT PAYABLE				\$1,438
ACCOUNTS PAYABLE	6,468		16,468	1,766
SALARIES PAYABLE				3,748
TOTAL LIABILITIES	<u>\$6,468</u>	<u>0</u>	<u>\$6,468</u>	<u>\$19,952</u>
FUND EQUITY:				
INVESTMENT IN GENERAL FIXED ASSETS		\$672,610	\$672,610	658,112
FUND BALANCES:				
RESERVED FOR OPERATIONS UNDESIGNATED	348,777		379,608	\$256,245
	<u>\$348,777</u>		<u>\$348,777</u>	<u>\$60,368</u>
TOTAL FUND BALANCES	<u>\$348,777</u>		<u>\$348,777</u>	<u>\$316,625</u>
TOTAL FUND EQUITY	<u>\$348,777</u>	<u>\$672,610</u>	<u>\$1,621,307</u>	<u>\$971,737</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$355,295</u>	<u>\$672,610</u>	<u>\$1,621,307</u>	<u>\$991,338</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

FIRE DISTRICT NUMBER 4 OF CADDO PARISH, LOUISIANA  
 CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED DECEMBER 31, 1997

EXHIBIT B

REVENUES:	GENERAL FUND	
	1997	1996
TARES AND FEES. (NOTE 2 AND 4)	\$279,951	\$266,144
INTERGOVERNMENTAL:		
STATE REVENUE SHARING(NOTE 5)	9,023	9,021
FIRE INSURANCE TAX	10,356	10,379
INTEREST INCOME	7,626	4,087
DONATIONS	540	0
MISCELLANEOUS REVENUES	276	989
<b>TOTAL REVENUES</b>	<b>\$307,331</b>	<b>\$290,719</b>
<b>EXPENDITURES:</b>		
SALARIES	\$121,454	\$116,071
PARROLL TAXES	3,567	3,277
FIREFIGHTERS RETIREMENT	9,420	8,880
UNIFORMS	1,880	3,479
INSURANCE OTHER	14,771	7,337
HEALTH INSURANCE	5,916	6,886
MEDICAL SUPPLIES	4,285	3,517
WORKERS COMPENSATION	18,540	18,531
UTILITIES	8,885	9,023
OFFICE SUPPLIES & EXPENSE	2,980	3,448
PROFESSIONAL FEES	13,888	13,130
TRUCK MAINTENANCE	9,367	5,499
GAS, OIL AND FUEL	4,176	3,382
ELECTION COST	0	349
MEDICAL COURSES AND TRAINING	5,733	2,187
REPAIRS AND MAINTENANCE-OTHER	18,248	16,078
PARISH PENSION & COLLECTION EXPENSE	15,390	13,515
BAD DEBT EXPENSE	8,242	19,354
CAPITAL OUTLAY	12,488	2,525
<b>TOTAL EXPENDITURES</b>	<b>\$275,379</b>	<b>\$241,388</b>
EXCESS OF EXPENDITURES OVER REVENUES	32,152	48,742
OTHER FINANCING SOURCES:		
SALE OF EQUIPMENT	0	0
EXCESS OF EXPENDITURES OVER REVENUES AND OTHER SOURCES	<b>\$32,152</b>	<b>\$48,742</b>
FUND BALANCES-BEGINNING	316,625	267,803
<b>FUND BALANCES-ENDING</b>	<b>\$348,777</b>	<b>\$316,545</b>

THE ACCOMPANY NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

FIRE DISTRICT NUMBER 6 OF CALOON PARISH, LOUISIANA EXHIBIT C  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
 BUDGET (NON-GAAP BASIS) AND ACTUAL GENERAL FUND  
 YEAR ENDED DECEMBER 31, 1995

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	(UNFAVORABLE)
<b>REVENUES:</b>			
TAXES (NOTE 2 AND 4)	\$250,000	\$211,111	(38,889)
REVENUE FROM LITIGATION	0,000	34,000	
STATE REVENUE SHARING	10,000	6,250	(3,750)
FIRE INSURANCE TAX	10,000	10,000	(0,000)
INTEREST INCOME	2,000	4,000	1,700
MISCELLANEOUS REVENUES	175	300	160
<b>TOTAL REVENUES</b>	<b>\$282,965</b>	<b>\$285,661</b>	<b>(37,696)</b>
<b>EXPENDITURES:</b>			
<b>PUBLIC SAFETY-FIRE PROTECTION</b>			
SALARIES	\$100,000	\$113,442	(13,442)
PARROLL TAXES	2,000	3,277	(1,277)
FIRE FIGHTER RETIREMENT	0,000	6,060	
INSURANCE OTHER	14,750	7,237	7,513
UNIFORMS	2,500	2,479	
MEDICAL SUPPLIES	3,500	3,317	183
HEALTH INSURANCE	12,500	6,808	
UTILITIES	10,000	9,823	177
WORKERS COMPENSATION INSURANCE	20,000	18,560	1,440
PROFESSIONAL FEES	14,000	11,080	2,920
TRUCK MAINTENANCE	10,000	6,427	3,573
GAS, OIL AND FUEL	3,500	3,380	120
OFFICE SUPPLIES & EXPENSE	3,000	3,400	(400)
ELECTION COST	0	940	(940)
TRAINING	5,000	2,197	2,803
REPAIRS AND MAINTENANCE	13,000	10,004	3,276
PARISH PENSION AND COLLECTION FC	10,100	11,513	(1,413)
BAD DEBT EXPENSE	0	0	0
<b>CAPITAL OUTLAY</b>	10,000	2,625	12,475
<b>TOTAL EXPENDITURES</b>	<b>\$289,500</b>	<b>\$295,600</b>	<b>(6,099)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$16,366</b>	<b>\$13,337</b>	<b>(3,029)</b>
<b>OTHER FINANCING SOURCES:</b>			
SALE OF EQUIPMENT	500	10	190
<b>EXCESS OF EXPENDITURES OVER REVENUES AND OTHER SOURCES</b>	<b>\$16,866</b>	<b>\$13,327</b>	<b>(3,539)</b>
<b>FUND BALANCES-BEGINNING</b>	<b>\$209,000</b>	<b>\$209,000</b>	
<b>FUND BALANCES-ENDING</b>	<b>\$205,300</b>	<b>\$202,321</b>	<b>(3,029)</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

# FIRE DISTRICT No. 6 OF CADDO PARISH, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### INTRODUCTION

Fire District No. 6 of Caddo Parish, Louisiana (the "District") was created by Resolution of the Caddo Parish Commission. The governing body of the District consists of a five member Board of Commissioners, appointed by the Caddo Parish Commission and is a component the Parish of Caddo. Members serve two year terms and do not receive compensation for their services. The District has five (5) full-time, four (4) part-time employees and a volunteer organization.

The District provides fire protection, emergency medical and hazardous material services for the people of the District. The twenty-four (24) four manned stations are equipped with a Class A pumper, Class B pumper, emergency medical service truck and other miscellaneous vital equipment.

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

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

#### B. 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 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.

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 criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. 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.
2. 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.

#### **G. 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 revenues, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. **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.
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 bonded in the general long-term obligations account group. This fund was closed in 1995 when all bonds were retired.
3. **Capital Projects Fund** — is used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by another fund. This fund was closed in 1995 when all bonds were retired and remaining Bond Amortization expensed.

#### **General Fixed Assets and General Long-Term Debt**

##### **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. This group was closed in 1995 when all bonds were retired.

##### **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.



#### **D. 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:

##### **Revenue Recognition:**

Ad valorem taxes and structure fees are attached as an enforceable lien on property as of January 1. Taxes and fees 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 and structure fee revenues are accrued and recognized when levied. In addition, the Louisiana State Revenue Sharing is accrued.

##### **Other Revenue:**

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

##### **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. The debt service fund and the capital fund were closed in 1995 when the bonds were paid off.

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

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

#### **E. 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.

The following 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.

Excess of Revenues over Expenditures - GMAP Basis	\$	32,152
<b>Adjustments</b>		
Revenue Accruals - Beginning	\$	298,144
Expenditure Accruals - Beginning	\$	(19,174)
Revenue Accruals - Ending	\$	(216,681)
Expenditure Accruals - Ending	\$	<u>6,488</u>
Excess of Revenues over Expenditures - Budgetary Basis	\$	5,689

#### **F. 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 state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state 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.

#### **G. INVENTORIES**

Inventories consist of expendable supplies held for consumption. Expenditures are recognized when the items are purchased. Inventories at year end are equity offset by fund balance reserves.

#### **H. PREPAID ITEMS**

Annual prepaid insurance is expensed at the time purchased. The difference between new and changing policies is considered immaterial on an annualized basis.

#### **I. 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.

#### **J. COMPENSATED ABSENCES**

After one year of service, firemen earn 15 to 25 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.

Each full-time employee is entitled to full pay during sickness or culpable indiscretion, for a period of not less than 52 weeks, during any calendar year.

At December 31, 1997, employee leave benefits requiring recognition in accordance with GASB Codification Section 680 were determined to be immaterial and not included within 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.

#### K. BAD DEBTS

Uncollectible amounts due for all 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.

#### L. FUND EQUITY

##### Reserves

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

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

#### M. TOTAL COLUMNS ON STATEMENTS

The total columns on the 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 or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

### NOTE 2. AD VALOREM TAXES AND STRUCTURE FEES

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

	1997 Millage & Fees	
	Authorized	Levied
Maintenance and Operation Tax	\$10.00	\$ 9.00
Structure Fees	\$75.00	\$75.00

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.

### NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 1997, the District has cash and cash equivalents totaling \$88,631 as follows:

Non-Interest Bearing	\$ (8,863)
Interest Bearing	73,294
TOTAL	\$ 88,631

These deposits are stated at cost, which approximates market. Under same line, 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.

#### NOTE 4. RECEIVABLES

Total taxes and fees levied were \$278,851. Taxes and fees receivable at December 31, 1997, consisted of the following:

Taxes Receivable	Total	General Fund	
		Millage	Structure Fee
Current Roll	\$278,851	\$ 97,351	\$182,100
Less: Parish Pension Fund Cost and Collection Fees	15,551	2,848	13,703
Sub-Total	263,400	94,493	168,697
Less: Allowance for Uncollectible Taxes	3,000	1,000	2,000
Net Taxes Receivable	\$260,400	\$93,493	\$166,697

The General Fund Budgeted Expenditures of \$272,000 have been designated for the subsequent year's expenditures. There are delinquent Structure Fees and Millage Taxes as of December 31, 1997 that are being assessed as to their collectability.

The Board of Commissioners for Caddo Parish Fire District No. 8 and the Sheriff's department resolved, that the Sheriff of Caddo Parish, Louisiana, be and he hereby is requested to take all legal means at his disposal to collect all unpaid Structure Fees levied by the District, exactly as with other taxes levied by the District for debt service and operations and maintenance, whether or not the property is presently owned by the same person who owned the property at the time the Structure Fee was levied, and remit the amounts collected promptly to the District.

The Board of Commissioners of Caddo Parish Fire District No. 8 and the Sheriff's Department Collector have agreed on procedures to recover, control and report delinquency to insure maximum recovery and proper handling of delinquent taxes. Initially, the collector will notify the delinquent taxpayer that they are delinquent and the amount they owe. The taxpayers will have thirty (30) days to pay without penalties and interest. After the grace period, the full taxes, penalties and interest will be due. The collector will report monthly the outstanding balance amount collected and the amount to be written off. The Board of Commissioners will approve, disapprove or offer alternatives to the collector's recommendation.

#### NOTE 5. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units (excluding the ad valorem taxes which are collected by the Sheriff and remitted to the fire district) consists of the following:

State Revenue Sharing, and Free payments for 1997: \$ 8,153

#### NOTE 6. CHANGES IN GENERAL FIXED ASSETS

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

	Balance Dec 31, 1996	Additions	Balance Dec 31, 1997
Equipment	\$ 419,919	\$ 17,488	\$ 437,407
Building and Land	235,193		235,193
Totals	\$ 655,112	\$ 17,488	\$ 672,600

#### NOTE 7. LOUISIANA FIREFIGHTERS RETIREMENT SYSTEM PENSION NOTE

*Plan Description.* Substantially all employees of Fire District No. 5 of Caddo Parish, Louisiana are members of the Louisiana Firefighters Retirement Systems (Systems), 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 prior to January 1, 1990, 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. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third per cent of their first-average salary for each year of creditable service, not to exceed 100 per cent 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) and receive the benefits accrued to their date of termination. The System also provides death and 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 may be obtained by writing to the Firefighters' Retirement Systems, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (504) 933-4090.

*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 8.0 percent of annual covered payroll. The 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 11:123, 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 Fire Protection District No. 5 of Caddo Parish's contributions to the System for the years ending December 31, 1997, 1998, 1999, were \$9,908, \$9,559, and \$7,251, respectively, equal to the required contributions for each year.

#### NOTE 8. LITIGATION AND CLAIMS

None

AGEE & AGEE, P.C.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of Fire District No. 6 of Caddo Parish, Louisiana, a component unit of Parish of Caddo, Louisiana as of and for the year ended December 31, 1997, and have issued our report thereon dated June 15, 1998.

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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Fire District No. 6 of Caddo Parish, Louisiana is the responsibility of Fire District No. 6 of Caddo Parish, Louisiana management. As part of obtaining reasonable assurance about whether the component unit general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, Fire District No. 6 of Caddo Parish, Louisiana, complied, in all material respects, with the provisions referred to in the preceding paragraph.

With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management, the Board of Commissioners, and the Caddo Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.



Aggie & Aggie, P.C.  
Shreveport, Louisiana

June 15, 1998

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of Fire District No. 6 of Caddo Parish, Louisiana, a component unit of Parish of Caddo, Louisiana as of the year ended December 31, 1997, and have issued our report thereon dated June 15, 1998.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Fire District No. 6 of Caddo Parish, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Fire District No. 6 of Caddo Parish, Louisiana, for the year ended December 31, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion. However, we noted certain matters involving the internal control

over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involves matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Fire District No. 8 of Caddo Parish, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described below in detail.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition noted above and described in detail below is a material weakness if taken in its totality.

**Reportable Condition:** Provisions are inadequate for the collection and reporting upon unassessed and/or uncollected millage and structure fee.

**Criteria:** Real debt expense has increased (i.e. 1990 - \$1,000; 1991 - \$12,554; 1992 - \$13,890; 1993 - \$11,515; and 1997 - \$15,200)

**Cause of Condition:** The increasing delinquency (bad debt) amount is the result of a combination of: undefined collection responsibilities and procedures in regard to structure fees; reporting deficiencies to the Caddo Parish Fire District's Board of Commissioners; delays in the completeness of data in part to the implementation of a new computer system; and significant turnover of personnel in the collector's function.

**Effects of Condition:** Uncollected tax and fees limits funds available for the protection of the general public from fire and the hazards to life and property.

**Reason Improvement Needed:** The internal controls of assignment of responsibilities, establishment of procedures, reporting requirements and reviews are inadequate to safeguard assets.

**Recommended Action:** Assign responsibilities, establish procedures, reporting requirements and reviews, and delinquent properties.

**Client Response:** The Board of Commissioners for Caddo Parish Fire District No. 8 and Fire requested to take all legal means at his disposal to collect all unpaid Structure Fees levied by the District, exactly as with other fees levied by



the District for debt service and operations and maintenance, whether or not the property is presently owned by the same person who owned the property at the time the Structure Fee was levied, and remit the amounts collected promptly to the District.

The Board of Commissioners of Caddo Parish Fire District No. 8 and the Sheriff's Department Collector have agreed on procedures to recover, control and report delinquency to insure maximum recovery and proper handling of delinquent taxes. Initially, the collector will notify the delinquent taxpayer that they are delinquent and the amount they owe. The taxpayers will have thirty (30) days to pay without penalties and interest. After the grace period, the full taxes, penalties and interest will be due. The collector will report monthly the outstanding balance amount collected and the amount to be written off until September 1968 and as requested thereafter. The Board of Commissioners will approve, disapprove or offer alternatives to the collector's recommendation. The amount recovered in the first six months of 1968 for prior years was \$18,825.95.

This report is intended for the information of management, the Board of Commissioners, and the Caddo Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.



Aggie S. Agos, P.C.  
Shreveport, Louisiana

June 15, 1968