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FIRE DISTRICT NO. 8  
OF CADDO PARISH, LOUISIANA  
GENERAL PURPOSE FINANCIAL REPORT STATEMENTS  
DECEMBER 31, 1995

Under provisions of state law, this report is a public document. A copy of this 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.

Release Date July 13, 1996 SSC

**FIRE DISTRICT NO. 6 OF CADDO PARISH, LOUISIANA  
DECEMBER 31, 1995**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS</b>	<b>1</b>
<b>COMPONENT UNIT FINANCIAL STATEMENTS (COMBINED STATEMENTS)</b>	
Combined Balance Sheet -- All Fund Types and Account Groups (Exhibit 1)	2-3
Statement of Revenues, Expenditures, and Changes in Fund Balances -- All Governmental Fund Types (Exhibit 2)	4-5
Statement of Revenues, Expenditures, and Changes in Fund Balances -- Budget (Cash Basis) and Actual -- General Fund (Exhibit 3)	6
Notes to Financial Statements	7-15
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE REQUIRED BY GOVERNMENT AUDITING STANDARDS</b>	<b>16</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY GOVERNMENT AUDITING STANDARDS</b>	<b>17-18</b>

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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Commissioners  
Fire District No. 8 of Caddo Parish, Louisiana  
Shreveport, Louisiana

We have audited the accompanying component unit financial statements of Fire District No. 8 of Caddo Parish, Louisiana, a component unit of Parish of Caddo, as of and for the year ended December 31, 1995. These financial statements are the responsibility of the management of Fire District No. 8 of Caddo Parish, Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

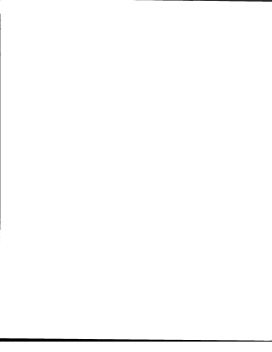
We conducted our audit in accordance with generally accepted auditing standards and the Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of Fire District No. 8 of Caddo Parish, Louisiana, as of December 31, 1995, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Agee & Agee, P.C.  
Shreveport, Louisiana



May 31, 1996



GENERAL FIXED ASSETS	ACCOUNT GROUPS		TOTALS	
	General	LONG TERM DEBT	PERIOD ENDING	
			December 31 1995	December 31 1994
			\$47,686	\$84,803
			8,037	0
			8,889	0
			0	13,945
			0	3,838
			329,385	312,086
			7,342	13,987
\$230,193			338,727	336,199
414,394			434,394	813,631
	50		0	28,648
	0		0	(548)
			0	868
<u>\$652,587</u>	<u>50</u>		<u>\$883,727</u>	<u>\$1,138,288</u>
			\$2,298	\$30,681
	50		12,235	7,901
			0	80,800
<u>0</u>	<u>50</u>		<u>\$14,441</u>	<u>\$118,562</u>
\$652,587			\$892,987	\$51,924
			0	80,648
			\$28,687	\$28,138
			\$238,687	\$378,842
\$652,587			\$891,288	\$1,338,565
<u>\$652,587</u>	<u>50</u>		<u>\$893,725</u>	<u>\$1,138,288</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS



(MEMORANDUM ONLY)	
TOTALS	
December 31 1995	December 31 1994
\$245,810	\$323,175
31,813	13,587
3,208	
10,353	8,576
5,304	7,685
6,868	
248	
2	1,580
<u>\$285,533</u>	<u>\$385,411</u>
\$247,132	\$170,889
3,452	5,597
0	1,575
26,343	51,859
14,838	19,737
6,942	17,875
3,681	6,131
8,245	6,487
250	298
12,685	13,213
7,827	17,388
1,896	1,054
164	248
1,119	123
13,682	0
577	1,472
8,825	8,385
28,195	27,089
1,305	12,554
3,878	0
468	1,430
763	7,483
80,808	78,680
3,408	18,315
<u>\$385,138</u>	<u>\$487,495</u>
(180,145)	(197,644)
0	700
<u>(180,145)</u>	<u>(186,944)</u>
378,642	476,196
<u>\$278,687</u>	<u>\$289,252</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

FIRE DISTRICT NUMBER 8 OF CALOCH PARISH, LOUISIANA      EXHIBIT C  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET (NON-CAP) BASIS) AND ACTUAL, GENERAL FUND  
 YEAR ENDED DECEMBER 31, 1995

	GENERAL FUND		BALANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES:			
TARES (NOTE 2)	\$298,488	\$296,631	(\$1,857)
STATE GENERAL SHARING	13,000	17,958	4,958
FIRE INSURANCE TAX	8,500	10,583	2,083
INTEREST INCOME	4,000	3,084	(916)
MISCELLANEOUS REVENUES	2,535	404	(2,131)
TOTAL REVENUES	<u>\$327,523</u>	<u>\$328,656</u>	<u>\$1,133</u>
EXPENDITURES:			
PUBLIC SAFETY-FIRE PROTECTION			
SALARIES	\$193,280	\$247,689	\$54,409
PROPERTY TAXES	3,500	3,386	114
INSURANCE	31,440	64,808	33,368
SUPPLIES	8,650	7,636	1,014
TELEPHONES	4,300	3,892	408
UTILITIES	5,500	6,585	(1,085)
POSTAGE	350	250	100
PROFESSIONAL FEES	8,400	13,969	(5,569)
TRUCK MAINTENANCE	12,500	13,549	1,049
GAS, OIL AND FUEL	4,500	3,096	1,404
DUES AND SUBSCRIPTIONS	350	144	206
ADVERTISING	400	653	(253)
ELECTION COST	0	12,587	(12,587)
TRAINING	1,500	750	750
REPAIRS AND MAINTINCE	9,500	9,315	185
PENSION FUNDS	39,300	12,880	26,420
PARISH PENSION AND COLLECTION FE	13,503	12,516	987
AND OTHR EXPENSE	0	0	0
CAPITAL OUTLAY	87	763	(676)
DEBT SERVICE: BOND PRINCIPAL PAID	0	0	0
INTEREST PAID	0	0	0
TOTAL EXPENDITURES	<u>\$395,464</u>	<u>\$301,395</u>	<u>\$94,069</u>
EXCESS OF EXPENDITURES OVER REVENUES	(127,941)	\$28,864	\$156,804
OTHER FINANCING SOURCES:- SALE OF EQUIPMENT			
EXCESS OF EXPENDITURES OVER REVENUES AND OTHER SOURCES	(127,941)	\$28,864	\$156,804
FUND BALANCES-BEGINNING	\$229,038	\$302,834	
FUND BALANCES-ENDING	<u>\$101,097</u>	<u>\$331,698</u>	<u>\$156,804</u>

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) hour 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.

### C. 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:

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 recorded in the general long-term obligations account group.
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 financial by another fund.

#### 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 capital 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.

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 – GAAP Basis	\$ -19,029
Adjustments:	
Revenue Accruals – Beginning	259,521
Expenditure Accruals – Beginning	-9,069
Expenditure Accruals – Ending	-346,810
Revenue Accruals – Ending	40,458
Excess of Revenues over Expenditures – Budgetary Basis	\$ 20,064

#### 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 equally offset by fund balance reserves.

#### H. 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 artwork or infrastructures are not capitalized. Interest costs incurred during a construction is nonrecurrent 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.

#### I. 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.

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, 1995, employee leave benefits requiring recognition in accordance with GASB Codification Section 100 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.

#### **J. BOND COSTS**

Bond costs are amortized over the life of the bonds by the straight line method.

#### **K. 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.

#### **L. 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.

#### **M. 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.

#### **N. 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:

	1995 Millage & Fees	
	Authorized	Levied
Maintenance and Operation Tax	\$18.00	\$18.00
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, 1995, the District has cash and cash equivalents totaling \$47,905 as follows:

Demand Deposits:	
Non-Interest Bearing	\$ 42,304
Interest Bearing	5,601
Total	\$ 47,905

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.

**NOTE 4. RECEIVABLES**

Total taxes and fees levied were \$246,810. Taxes and fees receivable at December 31, 1995 consisted of the following:

Taxes Receivable	Total	General Fund	
		Millage	Structure Fee
Current Roll	\$246,810	\$ 83,810	\$163,000
Less: Parish Pension Fund Cost and Collection Fees	14,685	3,455	11,230
Sub-Total	232,125	81,355	151,770
Less: Allowance for Uncollectible Taxes	32,425	1,650	30,775
Net Taxes Receivable	\$ 199,700	\$ 79,705	\$120,995

The General Funds Budgeted Expenditures of \$253,455 have been designated for the subsequent years expenditures. There were no delinquent taxes at December 31, 1995.

#### 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 second and third payments for 1995 \$ 7,942

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

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

	Balance December 31, 1994	Additions	Balance December 31, 1995
Equipment	\$ 413,631	\$ 765	\$ 414,394
Building and Land	335,153		335,153
<b>Totals</b>	<b>\$ 651,624</b>	<b>\$ 765</b>	<b>\$ 652,587</b>

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

**Plan Description.** Substantially all employees of Fire District No. 6 of Cade Parish, Louisiana are members of the Louisiana Firefighters Retirement System (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 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 final-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 benefit 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 System, Post Office Box 94566, Baton Rouge, Louisiana 70804, or by calling (504) 625-4060.

**Funding Policy.** Plan members are required by state statute to contribute 5.0 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 9.8 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 11:133, 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, 1995, 1994, 1993, were \$7,061, \$3,705, and \$7,822, respectively, equal to the required contributions for each year.

#### NOTE 8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year ended December 31, 1995:

Balance, January 1, 1995	\$ 80,000
Additions	None
Deductions	(80,000)
Balance, December 1995	0

The District had one outstanding issue of public improvement bonds. The bonds were issued May 1, 1985, in the amount of \$500,000, for the purpose of acquiring a building, machinery, and equipment, including both real and personal property, to be used to provide fire protection to the people and the property in the District.

The final principal payment of \$80,000 was paid in May 1995, with interest of \$3,800. Debt retirement payments are made from the Debt Service Fund after a \$3,870 transfer from the General Fund. The Debt Service Fund and the Capital Projects Fund were closed.

#### NOTE 9. LITIGATION AND CLAIMS

- The fire district has filed a lawsuit against the assessor for Caddo Parish to restore lost revenues for the years 1991, 1992 and 1993 regarding property that was taken off the district's tax roll due to annexation by the City of Shreveport. The fire district has prevailed. The lost revenues were originally estimated to be \$15,000. In April 1995, during the course of this audit, \$6,889 was received and this amount has been accrued at December 31, 1995.
- The Second Circuit Court of Appeals rendered a final judgement against the District in a Civil Service action in the amount of \$3,315. This judgement was rendered on April 5, 1995 and has not been paid to the employees as of May 31, 1996. \$3,315 has been accrued without interest.

#### NOTE 10. ACCOUNT RECEIVABLE

The Estimated Account Receivable — Special account in the amount of \$3,035 was established as result of a review of petty cash checking accounts. The Legislative Auditors were notified and work papers turned over to the Caddo Parish Sheriff's Office for further review. \$3,035 has been received and deposited by the Caddo Parish Fire District Board of Commissioners as reimbursements. The Caddo Parish District Attorney's office notified the Legislative Auditor on

October 10, 1986, according to our investigation, all monies have been reimbursed to the fire district. Our office has completed our investigation and will not pursue this incident as a criminal charge at this time.



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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 financial statements of Fire District No. 6 of Caddo Parish, Louisiana, a component unit of Parish of Caddo, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to Fire District No. 6 of Caddo Parish, Louisiana is the responsibility of the management of Fire District No. 6 of Caddo Parish, Louisiana. As part of obtaining reasonable assurance about whether the component unit 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 and the Board of Commissioners. This restriction is not intended to limit distribution of this report, which, is a matter of public record.

Agee &amp; Agee, P.C.

Shreveport, Louisiana



May 31, 1996

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE  
REQUIRED BY GOVERNMENT AGENTING STANDARDS**

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

We have audited the financial statements of Fire District No. 6 of Caddo Parish, Louisiana, a component unit of Parish of Caddo, as of the year ended December 31, 1995, and have issued our report thereon dated May 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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, 1995, 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.

Board of Commissioners  
Fire District No. 9 of Calcasieu Parish, Louisiana  
May 21, 1990  
Page 2

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

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

Agar & Agar, P.C.  
Shreveport, Louisiana



May 21, 1990