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CADDO FIRE DISTRICT NO. 1
Bossier, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1998
With Supplemental Information Schedule

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.

APR 21 1999

Release Date: _____

VERNON R
COON

LEGISLATIVE AUDITOR

CAJADO FIRE DISTRICT NO. 1
Blanchard, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1998
With Supplemental Information Schedules

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Independent Auditor's Report

**BOARD OF COMMISSIONERS
CAJADO FIRE DISTRICT NO. 1
Bossier Parish, Louisiana**

I have audited the general purpose financial statements of Cajado Fire District No. 1, a component unit of the Bossier Parish Commission, as of December 31, 1998, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of Cajado Fire District No. 1's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Cajado Fire District No. 1 as of December 31, 1998, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of Cajado Fire District No. 1. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

VERNON R. COON
REGISTERED ACCOUNTANT
MEMBER OF THE AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

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BOARD OF COMMISSIONERS
CALDO FIRE DISTRICT NO. 1
Blanchard, Louisiana
Independent Auditor's Report,
December 31, 1998

In accordance with Government Auditing Standards, I have also issued a report dated March 30, 1999, on the Caldo Fire District No. 1's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control over financial reporting.



West Monroe, Louisiana
March 30, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

CADDO FIRE DISTRICT NO. 1
Blanchard, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1998

	GOVERNMENTAL - FUND TYPE - GENERAL FUND	ACCOUNT GROUP GENERAL FUNDS ASSETS	TOTAL MEMORANDUM (ONLY)
ASSETS AND OTHER DEBITS			
Cash	\$34,331		\$34,331
Investments	432,781		432,781
Receivables:			
All valuations taxes	400,681		400,681
State income sharing	42,353		42,353
Land, buildings, and equipment		\$1,583,647	1,583,647
TOTAL ASSETS AND	\$917,086	\$1,583,647	\$2,474,733
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$18,286		\$18,286
Fund Equity:			
Investment in general fixed assets		\$1,583,647	1,583,647
Fund balance - Unreserved - undesignated	898,791		898,791
Total Fund Equity	898,791	1,583,647	2,456,438
TOTAL LIABILITIES AND FUND EQUITY	\$917,086	\$1,583,647	\$2,474,733

The accompanying notes are an integral part of this statement.

CADDO FIRE DISTRICT NO. 1
Blanchard, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE:</u> <u>FAVORABLE</u> <u>UNFAVORABLE</u>
REVENUES			
Ad valorem taxes	\$183,975	\$180,400	\$6,577
Intergovernmental revenue - state funds:			
State revenue sharing (net)	42,033	42,353	380
Fire insurance rebate	19,240	19,241	
Use of money and property	25,500	24,355	2,855
Other revenues	5,000	6,120	1,120
Total revenues	<u>475,748</u>	<u>468,569</u>	<u>10,787</u>
EXPENDITURES			
Current - public safety:			
Personal services and related benefits	279,754	267,958	7,796
Operating services	79,978	74,179	1,799
Material and supplies	16,200	13,799	400
Travel and other	350	1,215	(865)
Capital outlay	<u>34,626</u>	<u>30,542</u>	<u>3,084</u>
Total expenditures	<u>405,318</u>	<u>391,693</u>	<u>11,617</u>
EXCESS OF REVENUES OVER EXPENDITURES	70,430	94,868	23,409
FUND BALANCE AT BEGINNING OF YEAR	<u>178,646</u>	<u>803,971</u>	<u>425,777</u>
FUND BALANCE AT END OF YEAR	<u>249,076</u>	<u>898,791</u>	<u>347,686</u>

The accompanying notes are an integral part of this statement.

CADDO FIRE DISTRICT NO. 1
Blanchard, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Caddo Fire District No. 1 was created by the Caddo Parish Commission (formerly Caddo Parish Police Jury), as authorized by Louisiana Revised Statute 40:1492, on October 6, 1992, by ordinance number 2034. The district is governed by a five member board appointed by the commission, the Town of Blanchard, and by the board. Board members receive compensation as provided for by law. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Caddo Parish Commission is the financial reporting entity for Caddo Parish. The financial reporting entity consists of (a) the primary government (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 (GASB) Statement No. 14 established criteria determining which component units should be considered part of the Caddo Parish Commission for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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 commission created the district, appoints certain commissioners of the district, and has the ability to impose its will on the district, 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 commission, the general government services provided by that governmental unit, or the other governmental units that comprise the Caddo Parish financial reporting entity.

B. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, when the focus of attention is on the providing of services to the public as opposed to proprietary funds when the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only governmental fund types. The governmental fund types of the district are described as follows:

CADDO FIRE DISTRICT NO. 1
Monroe, Louisiana
Notes to the Financial Statements (Continued)

General Fund

The General Fund is the general operating fund of the district and is used to account for all financial activities not required to be accounted for in other funds. Primary funding is provided by an ad valorem tax approved by voters of the district, state fire insurance rebates, state revenue sharing, and interest earnings on investments.

Debt Service Fund

The debt service fund is used to account for the retirement of principal and interest of the district's bonded debt. Funding is provided by an ad valorem tax and interest earnings on investments. The bonds serviced by this fund were fully paid in 1997 and the remaining funds were transferred to the General Fund.

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported in the general fund assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets. Approximately 84 per cent of general fixed assets are valued at actual historical cost while the remaining 16 per cent are valued at estimated cost, based on the actual historical cost of like items. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

CAJADO FIRE DISTRICT NO. 1

Blanchard, Louisiana

Notes to the Financial Statements (Continued)

The modified accrual basis of accounting is used for reporting all governmental fundtypes. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the current year.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand and time deposits are recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes, state revenue sharing, and other intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the fire chief prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditures. Encumbrance accounting is not used by the district. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. CASH

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 1998, the district has cash (bank balances) totaling \$34,331 as follows:

Demand deposits	\$34,181
Petty cash	<u>150</u>
Total	<u>\$34,331</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, 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 bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 1998, total \$38,157 and are fully secured by federal deposit insurance.

I. INVESTMENTS

Under state law, the fire district may invest funds in obligations of the United States, in federally insured investments, or in time deposits with banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 1998, the fire district has investments in United States government securities totaling \$432,711. The investments are stated at cost, which approximates market.

Because the investments are federally insured and held by the fire district's agent in the fire district's name, they are considered collateralized (Category 1) under the provisions of GASB Codification C20.106.

II. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the fire district maintains commercial insurance policies covering property, general liability, employee dishonesty, and workers compensation insurance. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 1998.

I. TOTAL COLUMN ON COMBINED STATEMENTS

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

CAJADO FIRE DISTRICT NO. 1
 Blainville, Louisiana
 Notes to the Financial Statements (Continued)

2. LEVIES TAXES

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
District in tax:			
Operation and maintenance	15.58	15.58	2007

The difference between authorized and levied millages is the result of reassessments of taxable property in the district, as required by Article VII, Section 18, of the Louisiana Constitution of 1974.

3. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 1998:

	<u>Balance at January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31,</u>
Land and improvements	\$81,346			\$81,346
Buildings	607,683			607,683
Office equipment	21,206			21,206
Fire fighting equipment	812,608	\$33,542	(\$1,738)	844,412
Total	<u>\$1,322,843</u>	<u>\$33,542</u>	<u>(\$1,738)</u>	<u>\$1,354,647</u>

Included in additions, are assets valued at \$1,000 donated to the fire district.

4. PENSION PLAN

Substantially all employees of Cajado Fire District No. 1 are members of the Louisiana Firefighters Retirement System (System), a cost-sharing multi-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 exist on ordinance prior to January 1, 1993, excepting 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 age 58 with at least 20

CADDO FIRE DISTRICT NO. 1

Burchard, Louisiana

Notes to the Financial Statements (Continued)

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 months or joint months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employer 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 94095, Baton Rouge, Louisiana 70804, or by calling (504) 325-4000.

Plan members are required by state statute to contribute 8.0 per cent of their annual covered salary and Caddo Fire District No. 1 is required to contribute at an actuarially determined rate. The current rate is 9.0 per cent of annual covered payroll. The contribution requirements of plan members and Caddo Fire District No. 1 are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Caddo Fire District No. 1's contributions to the system for the years ended December 31, 1998, 1997, and 1996, were \$36,538, \$14,644, and \$13,123, respectively, equal to the required contributions for each year.

6. LITIGATION AND CLAIMS

At December 31, 1998, the fire district is involved in one lawsuit. It is the opinion of management that resolution of the lawsuit will not result in any material liability to the fire district.

7. YEAR 2000 ISSUE (Unaudited)

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The Caddo Parish Fire District No. 1 has completed an inventory of computer systems that may be affected by the year 2000 issue and that are critical to conducting operations of the fire district's office. Management of the fire district has identified the following systems requiring 2000 remediation: the emergency response system. Management of the fire district has contacted outside vendors for remediation, testing and validation. They have received several quotes to upgrade the system. The approximate cost for updating the emergency response system is \$2,000 to \$3,000. The anticipated installation date is before December 31, 1999.

SUPPLEMENTAL INFORMATION SCHEDULE

CADDO FIRE DISTRICT NO. 1
Monarch, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1998

COMPENSATION PAID COMMISSIONERS

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 48:1498, the commissioners receive \$20 per board meeting attended, not to exceed two meetings in any one calendar month.

CADDIS PINE DISTRICT NO. 1
Blanchard, LouisianaSchedule of Compensation Paid Commissioners
For the Year Ended December 31, 1998

Charles Strickland	\$300
Don Jones	300
Lee Polph	300
Jimmy Walker	300
Scott Beutick	<u>300</u>
Total	<u>\$1,800</u>

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws, regulations and contracts and on the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Auditor's Report on Compliance and
Internal Control Over Financial Reporting**

**BOARD OF COMMISSIONERS
CALDO FIRE DISTRICT NO. 1
Bossier, Louisiana**

I have audited the general purpose financial statements of the Caldo Fire District No. 1 as of and for the year ended December 31, 1998 ended and have issued my report thereon dated March 30, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Caldo Fire District No. 1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Caldo Fire District No. 1's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

**VERNON R. COON
INDEPENDENT AUDITOR
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BOARD OF COMMISSIONERS
CADDO FIRE DISTRICT NO. 1
Monarch, Louisiana

Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 1998

This report is intended for the information of the Caddo Fire District No. 1. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
March 31, 1999

CADDO FIRE DISTRICT NO. 1
Monroe, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Caddo Fire District No. 1.
2. No instances of noncompliance material to the financial statements of Caddo Fire District No. 1 were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

CADDO FIRE DISTRICT NO. 1
Blandford, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1993

There were no findings reported in the audit report for the year ended December 31, 1993.