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**FIRE DISTRICT NO. 5  
OF CADDO PARISH, LOUISIANA  
GENERAL PURPOSE FINANCIAL REPORT STATEMENTS  
DECEMBER 31, 1998**

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.

Release Date JUL 2 1 1999

**FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA  
DECEMBER 31, 1998**

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

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

We have audited the accompanying general purpose financial statements of Fire District No. 5 of Caddo Parish, Louisiana, component unit of the Parish of Caddo, Louisiana as of and for the year ended December 31, 1998 as listed in the Table of Contents. These general purpose financial statements are the responsibility of Fire District No. 5 of Caddo Parish, Louisiana management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the component unit general purpose financial statements referred to above present fairly, in all material respects, the financial position of Fire District No. 5 of Caddo Parish, Louisiana, as of December 31, 1998, 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, 1999, on our consideration of Fire District No. 5 of Caddo Parish, Louisiana's internal control over financial reporting and a report of our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Tom Agee, CPA*

Agee & Agee, P.C.  
Shreveport, Louisiana

June 15, 1999

**FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1998**

<b>ASSETS AND OTHER DEBITS</b>	<b>GOVERNMENTAL FUND TYPES</b>	
	<b>GENERAL</b>	<b>DEBT SERVICE</b>
CASH AND CASH EQUIVALENTS (NOTES 1 & 3)	\$ 213,391	\$ 29,811
TAXES AND FEES RECEIVABLE NET OF ALLOWANCES FOR UNCOLLECTIBLES (NOTES 1 & 4)	206,847	55,049
DUE FROM OTHER GOVERNMENTAL UNITS (NOTE 5) RECEIVABLE FROM GENERAL FUND	4,127	32,693
GENERAL FIXED ASSETS (NOTES 1 & 6)-A45		
OTHER ASSETS	1,679	
OTHER DEBITS:		
AMOUNT AVAILABLE IN DEBT SERVICE FUND (NOTE 8)		
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG-TERM DEBT		
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 426,044</b>	<b>\$ 117,553</b>
<b>LIABILITIES AND FUND EQUITY</b>		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 2,788	\$ -
PAYABLE TO DEBT SERVICE FUND	32,693	-
BONDS PAYABLE (NOTE 8)		
<b>TOTAL LIABILITIES</b>	<b>\$ 35,481</b>	<b>\$ -</b>
<b>EQUITY AND OTHER CREDITS</b>		
INVESTMENT IN GENERAL FIXED ASSETS		
FUND BALANCES:		
DESIGNATED FOR SUBSEQUENT YEARS EXPENDITURES (NOTE 4)	251,570	117,553
UNRESERVED AND UNDESIGNATED	138,993	-
<b>TOTAL EQUITY AND OTHER CREDIT</b>	<b>\$ 390,563</b>	<b>\$ 117,553</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 426,044</b>	<b>\$ 117,553</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

ACCOUNT GROUPS		TOTALS	
GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT	(MEMORANDUM ONLY) YEAR ENDED DECEMBER 31	
		1998	1997
		\$ 243,202	\$ 227,856
		261,896	260,419
		4,127	5,400
		32,693	18,845
\$ 809,020		809,020	742,736
		1,679	1,679
	117,553	117,553	115,631
	(7,553)	(7,553)	39,369
<u>\$ 809,020</u>	<u>\$ 110,000</u>	<u>\$ 1,462,617</u>	<u>\$ 1,411,935</u>
		\$ 2,788	\$ 4,630
		32,693	18,845
	\$ 110,000	110,000	155,000
	<u>\$ 110,000</u>	<u>\$ 145,481</u>	<u>\$ 178,475</u>
\$ 809,020		\$ 809,020	\$ 742,736
		369,123	349,161
		138,993	141,563
<u>\$ 809,020</u>		<u>\$ 1,317,136</u>	<u>\$ 1,233,460</u>
<u>\$ 809,020</u>	<u>\$ 110,000</u>	<u>\$ 1,462,617</u>	<u>\$ 1,411,935</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED DECEMBER 31, 1998**

	GENERAL FUND	DEBT SERVICE
<b>REVENUES:</b>		
TAXES AND FEES (NOTES 2 & 4)	\$ 209,347	\$ 56,549
INTERGOVERNMENTAL NOTE 5)	6,190	
INTEREST AND MISCELLANEOUS	23,477	1,028
<b>TOTAL REVENUES</b>	<b>\$ 239,014</b>	<b>\$ 57,577</b>
 <b>EXPENDITURES:</b>		
PUBLIC SAFETY-FIRE PROTECTION		
COMMUNICATION MAINTENANCE	\$ 2,718	
SALARIES AND BENEFITS	110,840	
INSURANCE AND BOND	28,478	
TRUCK MAINTENANCE	16,970	
PENSION AND COLLECTION FEE	10,811	\$ 2,024
FUEL	2,362	
BUILDING AND GROUNDS	5,698	
UTILITIES AND TELEPHONE	6,801	
MEDICAL SUPPLIES	3,870	
FIREFIGHTING SUPPLIES	8,733	
TRAINING	4,483	
OFFICE SUPPLIES	4,203	
LEGAL AND ACCOUNTING	12,477	
BAD DEBT RECOVERY (NOTE 4)	(61,184)	(3,294)
CONSULTING	-	
OTHER	-	
CAPITAL OUTLAY	66,284	
DEBT SERVICE:		
PRINCIPAL RETIREMENT		45,000
INTEREST		11,925
<b>TOTAL EXPENDITURES</b>	<b>\$ 223,544</b>	<b>\$ 55,655</b>
EXCESS OF REVENUE OVER/UNDER EXPENDITURES	\$ 15,470	\$ 1,922
FUND BALANCES - BEGINNING	\$ 375,093	\$ 115,631
FUND BALANCES - ENDING	\$ 390,563	\$ 117,553

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

TOTALS	
(MEMORANDUM ONLY)	
YEAR ENDED DECEMBER 31	
1998	1997
\$ 265,896	\$ 264,396
6,190	8,100
24,505	15,521
<u>\$ 296,591</u>	<u>\$ 288,017</u>
\$ 2,718	\$ 846
110,840	102,490
28,478	26,092
16,970	6,581
12,835	9,832
2,362	3,992
5,698	6,148
6,801	7,652
3,870	866
8,733	1,420
4,483	5,453
4,203	2,315
12,477	9,318
(64,478)	7,122
-	3,000
-	3,565
66,284	884
45,000	40,000
11,925	15,750
<u>\$ 279,199</u>	<u>\$ 253,326</u>
\$ 17,392	\$ 34,691
<u>\$ 490,724</u>	<u>\$ 456,033</u>
<u>\$ 508,116</u>	<u>\$ 490,724</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS



**FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BASIS) AND ACTUAL GENERAL FUND  
YEAR ENDED DECEMBER 31, 1998**

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES:</b>			
TAXES (NOTES 2 & 4)	\$ 195,723	\$ 188,115	\$ (7,608)
STATE REVENUE SHARING (NOTE 5)	7,500	7,463	(37)
INTEREST AND MISCELLANEOUS	18,000	25,885	7,885
TAXES RECOVERED (NOTE 4)	65,577	65,577	
	<u>\$ 286,800</u>	<u>\$ 287,040</u>	<u>\$ 240</u>
<b>EXPENDITURES:</b>			
PUBLIC SAFETY-FIRE PROTECTION			
COMMUNICATIONS MAINTENANCE	\$ 2,000	\$ 2,718	\$ (718)
SALARIES AND BENEFITS	113,065	110,840	2,225
INSURANCE	28,000	28,478	(478)
TRUCK MAINTENANCE	16,000	16,601	(601)
PARISH PENSION AND COLLECTION FEE	11,500	10,811	689
FUEL	3,500	2,736	764
BUILDING AND GROUNDS	6,500	5,899	601
UTILITIES AND TELEPHONE	8,100	6,801	1,299
MEDICAL SUPPLIES	4,000	3,855	145
FIREFIGHTER SUPPLIES	10,000	8,733	1,267
TRAINING	6,000	4,493	1,507
OFFICE SUPPLIES	3,750	3,477	273
LEGAL AND ACCOUNTING	12,500	12,545	(45)
CAPITAL OUTLAY	70,000	66,634	3,366
	<u>\$ 294,915</u>	<u>\$ 284,621</u>	<u>\$ 10,294</u>
EXCESS REVENUES OVER/UNDER EXPENDITURES	\$ (8,115)	\$ 2,419	\$ 10,534
FUND BALANCES - BEGINNING	<u>\$ 375,093</u>	<u>\$ 375,093</u>	<u>\$ -</u>
FUND BALANCES - ENDING	<u>\$ 366,978</u>	<u>\$ 377,512</u>	<u>\$ 10,534</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS



# **FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA**

## **NOTES TO FINANCIAL STATEMENTS**

### **INTRODUCTION**

Fire District No. 5 of Caddo Parish, Louisiana (the "District") was created by Ordinance No. 2143 adopted by the Caddo Parish Commission on April 25, 1984. The governing body of the District consists of a five member Board of Commissioners, appointed by the Caddo Parish Commission and is a component of the Parish of Caddo. Members serve two year terms and do not receive compensation for their services. The District has four (4) paid 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 station is equipped with a Class A pumper, Class B pumper, emergency medical service truck, 6,000 gallon tanker and other miscellaneous vital equipment. Two unmanned stations are equipped with a Class B pumper/tank truck.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Caddo Parish Fire District No. 5 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASP) 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 the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or *incomplete*.

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.

#### *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.

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

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

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

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

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

#### **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 - GAAP Basis	\$ 15,470
Adjustments	
Revenue Accruals - Beginnings	\$ 197,816
Expenditure Accruals - Beginning	\$ (2,102)
Revenue Accruals - Endings	\$ (210,974)
Expenditure Accruals - Ending	<u>\$ 2,209</u>
Excess of Revenues over Expenditures - Budgetary Basis	\$ 2,419

#### **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. 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 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, 1998, employee leave benefits requiring recognition in accordance with GASB Codification Section C60 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 ad valorem taxes and parcel 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 appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

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.

**2. AD VALOREM TAXES AND PARCEL FEES**

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

	1998 Millage & Fees	
	Authorized	Levied
	<hr/>	
Maintenance and Operation Tax	\$10.00	\$ 9.83
Parcel Fees	\$75.00	\$75.00
Bond Tax	Variable	\$ 1.75

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.

### 3. CASH AND CASH EQUIVALENTS

At December 31, 1998, the District has cash and cash equivalents totaling \$213,391 as follows:

Demand Deposits	\$	2,327
Time Deposit (CD)		36,144
Money Market Accounts		174,820
Petty Cash		100
TOTAL	\$	213,391

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.

### 4. RECEIVABLES

Total taxes and fees levied were \$266,631. Taxes and fees receivable at December 31, 1998, consisted of the following:

Taxes Receivable	Total	General Fund		
		Millage	Parcel Fee	Debt Serv Fund
Current Roll	\$ 266,631	\$ 140,857	\$ 69,225	\$ 56,549
Less: Funds Received in December 1997	735	436	299	0
Sub-Total	265,896	140,421	68,926	56,549
Less: Parish Pension Fund Cost and Collection Fees	13,226	6,056	5,170	2,000
Sub-Total	252,670	134,365	63,756	54,549
Less: Allowance for Uncollectible Taxes	4,000	1,000	1,500	1,500
Net Taxes Receivable	\$ 248,670	\$ 133,365	\$ 62,256	\$ 53,049

The General Fund Budgeted Expenditures of \$251,570 have been designated for the subsequent years expenditures.

The Board of Commissioners for Caddo Parish Fire District No. 5 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 Parcel 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 Parcel Fee was levied, and remit the amounts collected promptly to the District. Net recovery of \$61,184 and \$3,294 for the General Fund and the Bond Fund respectively was affected during the year 1998.



## 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 three payments for 1998: \$4,127

## 6. CHANGES IN GENERAL FIXED ASSETS

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

	<u>Balance</u> <u>Dec 31, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec 31, 1998</u>
Vehicles	\$ 367,818	\$31,503	\$ 0	\$ 399,321
Equipment	142,225	34,781	0	177,006
Building and Land	232,693	0	0	232,693
<b>Totals</b>	<b>\$ 742,736</b>	<b>\$ 66,284</b>	<b>\$ 0</b>	<b>\$ 809,020</b>

## 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 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, 1980, exempting itself from participation in the system. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service, or after age 50 with at least 20 years of creditable service. 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 94095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

*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 9.0 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 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Fire Protection District No. 5 of Caddo Parish's contributions to the System for the years ending December 31, 1998, 1997, 1996, were \$8,241, \$8,171, and \$7,429, respectively, equal to the required contributions for each year.

## 8. CHANGES IN LONG-TERM DEBT

Long-term debt consists of public improvement bonds in the original amount of \$400,000, secured by a pledge of ad valorem tax proceeds. The note provides for one annual principal payment, in full, on the anniversary date and semi-annual interest payments.

The following is a summary of bond transactions of the District for the year ended December 31, 1998.

Bonds payable at December 31, 1997	\$155,000
Bonds retired	<u>45,000</u>
Bonds payable at December 31, 1998	\$110,000

The annual requirements to amortize bonded debt as of December 31, 1998, including interest payments are as follows:

Year Ending December 31	Total Principal and Interest Due	Principal Due	Interest Due
1999	57,650	50,000	7,650
2000	62,700	60,000	2,700
	<u>\$ 120,350</u>	<u>\$ 110,000</u>	<u>\$ 10,350</u>

## 9. LITIGATION AND CLAIMS

None

## 10. SUBSEQUENT EVENT

On May 20, 1999 the Board of Commissioners of Caddo Parish Fire District No. 5 of Caddo Parish, Louisiana approved a resolution calling for a special election to be held no later than November 20, 1999. The purpose of the election is for the approval of bonded indebtedness in the amount of \$800,000.

The funds obtained would be used to acquire or build a new fire station, purchasing fire trucks, fire protection equipment and paying the cost of obtaining water for fire protection purposes including fire hydrant rentals and service.



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

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

We have audited the general purpose financial statements of Fire District No. 5 of Caddo Parish, Louisiana, a component unit of the Parish of Caddo, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated June 15, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Fire District No. 5 of Caddo Parish, Louisiana general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fire District No. 5 of Caddo Parish, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Board of Commissioners  
Fire District No. 5 of Caddo Parish, Louisiana  
June 15, 1999  
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This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, Caddo Parish Commission and the Louisiana Legislature Auditor.

*Tom Agee, CPA*

Agee & Agee, P.C.  
Shreveport, Louisiana  
June 15, 1999