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**FIRE DISTRICT NO. 6**  
**OF CADDO PARISH, LOUISIANA**  
**GENERAL PURPOSE FINANCIAL REPORT STATEMENTS**  
**DECEMBER 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/19/00

**FIRE DISTRICT NO. 6 OF CADDO PARISH, LOUISIANA  
DECEMBER 31, 1999**

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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, 1999 as listed in the Table of Contents. These general purpose financial statements are the responsibility 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, 1999, 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, 2000, 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, 2000

**FIRE DISTRICT NO. 6 OF CADDO PARISH, LOUISIANA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**December 31, 1998**

<b>ASSETS</b>	<b>GENERAL FUND</b>	<b>GENERAL FIXED ASSETS</b>	<b>(MEMORANDUM ONLY) YEAR ENDED DECEMBER 31</b>	
			<b>1999</b>	<b>1998</b>
CASH AND CASH EQUIVALENTS (NOTES 1 & 3)	\$ 134,034	\$ -	\$ 134,034	\$ 104,916
DEPOSIT - WORKERS COMPENSATION	2,500	-	2,500	2,500
TAXES AND FEES RECEIVABLE NET OF ALL ALLOWANCES FOR UNCOLLECTIBLES (NOTES 1 & 4)	-	-	-	-
	282,579	-	282,579	282,845
DUE FROM OTHER GOVERNMENTAL UNITS (NOTES 1 & 5)	-	-	-	-
	6,179	-	6,179	6,274
CAPITAL LEASE EQUIPMENT (NOTE 10)	-	16,000	16,000	-
LAND AND BUILDINGS (NOTE 6)	-	238,193	238,193	238,193
EQUIPMENT (NOTE 6)	-	469,133	469,133	457,761
<b>TOTAL ASSETS</b>	<b>\$ 425,292</b>	<b>\$ 723,326</b>	<b>\$ 1,148,618</b>	<b>\$ 1,092,489</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 9,473	\$ -	\$ 9,473	\$ 5,301
CAPITAL LEASE (NOTE: 10)	-	16,000	16,000	-
<b>TOTAL LIABILITIES</b>	<b>\$ 9,473</b>	<b>\$ -</b>	<b>\$ 25,473</b>	<b>\$ 5,301</b>
<b>FUND EQUITY:</b>				
INVESTMENT IN GENERAL FIXED ASSETS	\$ -	\$ 707,326	\$ 707,326	\$ 695,954
<b>FUND BALANCES:</b>				
RESERVED FOR OPERATIONS	266,479	-	266,479	278,900
UNDESIGNATED	149,340	-	149,340	112,334
<b>TOTAL FUND BALANCES</b>	<b>\$ 415,819</b>	<b>\$ 707,326</b>	<b>\$ 1,123,145</b>	<b>\$ 391,234</b>
<b>TOTAL FUND EQUITY</b>	<b>\$ 415,819</b>	<b>\$ 707,326</b>	<b>\$ 1,123,145</b>	<b>\$ 1,087,188</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 425,292</b>	<b>\$ 723,326</b>	<b>\$ 1,148,618</b>	<b>\$ 1,092,489</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**FIRE DISTRICT NO. 6 OF CADDO PARISH, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
December 31, 1999**

<b>REVENUES:</b>	<b>GENERAL FUND</b>	
	<b>1999</b>	<b>1998</b>
TAXES AND FEES. (NOTE 2 & 4)	\$ 288,579	\$ 285,845
INTERGOVERNMENTAL:		
STATE REVENUE SHARING (NOTE 5)	9,269	9,411
FIRE INSURANCE TAX	11,180	10,653
INTEREST INCOME	16,596	10,900
DONATIONS	200	75
MISCELLANEOUS REVENUES	240	1,589
	<b>\$ 326,064</b>	<b>\$ 318,473</b>
<b>EXPENDITURES:</b>		
SALARIES	\$ 137,283	\$ 128,912
PAYROLL TAXES	2,837	4,530
FIREFIGHTERS RETIREMENT	11,665	9,452
UNIFORMS	1,263	1,726
INSURANCE OTHER	14,643	11,226
HEALTH INSURANCE	12,114	4,630
MEDICAL SUPPLIES	4,186	2,187
WORKERS COMPENSATION	13,827	15,743
UTILITIES	9,837	11,789
OFFICE SUPPLIES & EXPENSE	2,155	6,724
PROFESSIONAL FEES	10,498	12,331
TRUCK MAINTENANCE	18,706	14,992
GAS, OIL AND FUEL	4,043	2,408
ELECTION COST	65	-
MEDICAL COURSES AND TRAINING	5,991	3,499
REPAIRS AND MAINTENANCE - OTHER	11,002	16,202
PARISH PENSION & COLLECTION EXPENSE	17,147	15,926
BAD DEBT EXPENSE (NOTE 4)	8,095	(9,605)
CAPITAL OUTLAY	33,372	23,866
	<b>\$ 318,729</b>	<b>\$ 276,538</b>
EXCESS OF REVENUES OVER EXPENDITURES	7,335	41,935
FUNDS FROM CAPITAL LEASE (NOTE 10)	16,000	
OTHER FINANCING SOURCES:		
SALE OF EQUIPMENT	1,250	522
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES	<b>\$ 24,585</b>	<b>\$ 42,457</b>
<b>FUND BALANCES - BEGINNING</b>	<b>\$ 391,234</b>	<b>\$ 348,777</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 415,819</b>	<b>\$ 391,234</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS



**FIRE DISTRICT NO. 6 OF CADDO PARISH, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL GENERAL FUND**  
**December 31, 1998**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>			
TAXES (NOTE 2 & 4)	\$ 275,700	\$ 277,658	\$ 1,958
STATE REVENUE SHARING	9,500	9,364	(136)
FIRE INSURANCE TAX	11,000	11,180	180
INTEREST INCOME	15,700	16,596	896
MISCELLANEOUS REVENUES	155	390	235
<b>TOTAL REVENUES</b>	<b>\$ 312,055</b>	<b>\$ 315,188</b>	<b>\$ 3,133</b>
<b>EXPENDITURES:</b>			
<b>PUBLIC SAFETY-FIRE PROTECTION</b>			
SALARIES	\$ 136,000	\$ 137,642	\$ (1,642)
PAYROLL TAXES	2,720	2,837	(117)
FIRE FIGHTER RETIREMENT	11,000	11,665	(665)
INSURANCE OTHER	10,500	11,735	(1,235)
UNIFORMS	1,000	986	14
MEDICAL SUPPLIES	4,400	4,201	199
HEALTH INSURANCE	12,500	12,114	386
UTILITIES	9,900	9,837	63
WORKERS COMPENSATION INSURANCE	13,000	12,721	279
PROFESSIONAL FEES	10,500	10,244	256
TRUCK MAINTENANCE	18,500	19,512	(1,012)
GAS, OIL AND FUEL	3,500	3,545	(45)
OFFICE SUPPLIES & EXPENSE	2,800	2,534	266
ELECTION COST	-	-	-
TRAINING	5,600	5,991	(391)
REPAIRS AND MAINTENANCE	10,000	10,518	(518)
PARISH PENSION AND COLLECTION	17,500	17,146	354
<b>CAPITAL OUTLAY</b>	<b>30,600</b>	<b>30,092</b>	<b>508</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 300,020</b>	<b>\$ 303,320</b>	<b>\$ (3,300)</b>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 12,535	\$ 11,868	\$ (667)
FUNDS FROM CAPITAL LEASE (NOTE 10)	16,000	16,000	-
OTHER FINANCING SOURCES:			
SALE OF EQUIPMENT	1,200	\$ 1,250	\$ 50
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES</b>	<b>\$ 30,735</b>	<b>\$ 30,118</b>	<b>\$ (617)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>\$ 388,375</b>	<b>\$ 388,375</b>	<b>\$ -</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 418,110</b>	<b>\$ 417,493</b>	<b>\$ (617)</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) 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 (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 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. 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 financial 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 received 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	\$ 24,585
Adjustments	
Revenue Accruals – Beginnings	289,119
Expenditure Accruals – Beginning	(5,301)
Revenue Accruals – Endings	(288,758)
Expenditure Accruals – Ending	9,473
	<hr/>
Excess of Revenues over Expenditures – Budgetary Basis	\$ 29,118

**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, 1999, 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 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 appropriable 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:

	1999 Millage & Fees	
	Authorized	Levied
Maintenance and Operation Tax	\$10.00	\$ 9.08
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, 1999, the District has cash and cash equivalents totaling \$134,034 as follows:

Interest Bearing	\$ 134,034
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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 \$289,424. Taxes and fees receivable at December 31, 1999, consisted of the following:

Taxes Receivable	Total	General Fund	
		Millage	Structure Fee
Current Roll	\$ 289,424	\$ 103,049	\$ 186,375
Less Funds Received	845	170	675
Sub-Total	288,579	102,879	185,700
Less: Parish Pension Fund Cost and Collection Fees	16,100	3,100	13,000
Sub-Total	272,479	99,779	172,700
Less: Allowance for Uncollectible Taxes	6,000	2,000	4,000
Net Taxes Receivable	\$ 266,479	\$ 97,779	\$ 168,700

The General Fund Budgeted Expenditures of \$278,900 have been designated for the subsequent year's expenditures. There are delinquent Structure Fees and Millage Taxes as of December 31, 1998 that are being assessed as to their collectibility.

**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 three payments for 1999: \$ 6,179

**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, 1998	Deletions	Additions	Balance Dec 31, 1999
Equipment	\$ 457,761	\$ 6,000	\$ 17,372	\$ 469,133
Building and Land	238,193	0	0	238,193
<b>Totals</b>	<b>\$ 695,954</b>	<b>\$ 6,000</b>	<b>\$ 17,372</b>	<b>\$ 707,326</b>

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

*Plan Description.* Substantially all employees of Fire District No. 6 of Caddo Parish, Louisiana are members of the Louisiana Firefighters Retirement System, a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection District that did not enact an



ordinance 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. 6 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. 6 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. 6 of Caddo Parish's contributions to the System for the years ending December 31, 1999, 1998, 1997, were \$11,665, \$9,900, and \$9,808, respectively, equal to the required contributions for each year.

#### **NOTE 8. LITIGATION AND CLAIMS**

None

#### **NOTE 9. SUBSEQUENT EVENT**

On March 18, 1999 the Board of Commissioners of Caddo Parish Fire District No. 6 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 will 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 services.

On November 20, 1999 the proposal bonded indebtedness was approved by the voters of the fire district. The bonds are expected to be sold in June 2000.

## NOTE 10. CAPITAL LEASE

Long-term debt consist of a capital lease of \$16,000. The note provides for one annual principal payment and interest payment on January 15. The funds were used to purchase a refurbished Class A pumper.

The annual requirements of the capital lease as of December 31, 1999 including interest payments are as follows:

<u>Year Ending December 31</u>	<u>Total Principal &amp; Interest Due</u>	<u>Principal Due</u>	<u>Interest Due</u>
1999		\$ 16,000	
2000	\$ 4,578	\$ 3,678	\$ 900
2001	\$ 4,578	\$ 3,885	\$ 693
2002	\$ 4,578	\$ 4,103	\$ 475
2003	\$ 4,578	\$ 4,334	\$ 244
	<u>\$ 18,312</u>	<u>\$ 16,000</u>	<u>\$ 2,312</u>



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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. 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 the Parish of Caddo, Louisiana as of and for the year ended December 31, 1999, 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. 6 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. 6 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. 6 of Caddo Parish, Louisiana  
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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.

Agee & Agee, P.C.  
Shreveport, Louisiana  
June 15, 2000