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**CADDO PARISH FIRE DISTRICT NO. 8**

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**FINANCIAL 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 8-30-00

## Table of Contents

	<u>Page</u>
<b>Independent Auditor's Report</b> .....	1
<b>Financial Statements:</b>	
Combined Balance Sheet – All Fund Types and Account Groups .....	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Funds .....	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Cash Basis) and Actual – General Fund .....	4
Notes to Financial Statements.....	5-13
<b>Other Report:</b>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with <i>Government</i> <i>Auditing Standards</i> .....	14-15
<b>Summary of Audit Findings:</b>	
Schedule of Findings .....	16
Corrective Action Plan .....	16
Schedule of Prior Findings.....	16



SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

610 MARSHALL STREET SUITE 800 • SHREVEPORT, LOUISIANA • 71101-5332 • TELEPHONE 318 222 5701 • FAX 318 424 4736  
401 HAMILTON ROAD SUITE 112 • BOSSIER CITY, LOUISIANA 71111 • TELEPHONE 318 742 4935 • FAX 318 742 4989

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners  
Caddo Parish Fire District No. 8  
Caddo Parish, Louisiana

We have audited the accompanying general purpose financial statements of Caddo Parish Fire District No. 8, a component unit of the Caddo Parish Commission, 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 of Caddo Parish Fire District No. 8's 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 *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 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 the 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of Caddo Parish Fire District No. 8, 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 13, 2000, on our consideration of Caddo Parish Fire District No. 8's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

  
Certified Public Accountants

June 13, 2000

**FINANCIAL STATEMENTS**

**CADDO PARISH FIRE DISTRICT NO. 8**  
 Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 1999

	Governmental Funds		Account Groups			Total (Memorandum Only)
	General Fund	Debt Service Fund	General Fixed Assets	General Long-term Obligations		
<b>Assets and Other Debits</b>						
Assets:						
Cash and cash equivalents	\$ 165,430	\$ 199,343	\$ -	\$ -	\$ -	\$ 364,773
Investments	-	-	-	-	-	-
Receivables, net	189,283	174,098	-	-	-	363,381
Other assets	4,720	-	-	-	-	4,720
Due from other funds	-	2,301	-	-	-	2,301
Land, buildings, and equipment	-	-	1,423,654	-	-	1,423,654
Other Debits:						
Amount available in Debt Service Fund	-	-	-	199,343	-	199,343
Amount to be provided for retirement of general long-term obligations	-	-	-	530,657	-	530,657
<b>Total Assets and Other Debits</b>	<b>\$ 359,433</b>	<b>\$ 375,742</b>	<b>\$ 1,423,654</b>	<b>\$ 730,000</b>	<b>\$ -</b>	<b>\$ 2,888,829</b>
<b>Liabilities, Equity, and Other Credits</b>						
Liabilities:						
Accounts payable	\$ 8,842	-	-	-	\$ -	\$ 8,842
Payroll deductions and withholdings payable	11	-	-	-	-	11
Due to other funds	2,301	-	-	-	-	2,301
Bonds payable	-	-	-	730,000	-	730,000
<b>Total Liabilities</b>	<b>11,154</b>	<b>-</b>	<b>-</b>	<b>730,000</b>	<b>-</b>	<b>741,154</b>
Equity and Other Credits:						
Investment in general fixed assets	-	-	1,423,654	-	-	1,423,654
Fund balances:						
Reserved for debt service	-	375,742	-	-	-	375,742
Unreserved/undesignated	348,279	-	-	-	-	348,279
<b>Total Equity and Other Credits</b>	<b>348,279</b>	<b>375,742</b>	<b>1,423,654</b>	<b>-</b>	<b>-</b>	<b>2,147,675</b>
<b>Total Liabilities, Equity, and Other Credits</b>	<b>\$ 359,433</b>	<b>\$ 375,742</b>	<b>\$ 1,423,654</b>	<b>\$ 730,000</b>	<b>\$ -</b>	<b>\$ 2,888,829</b>

See accompanying notes to financial statements.

## CADDO PARISH FIRE DISTRICT NO. 8

### Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund Types Year Ended December 31, 1999

	General Fund	Debt Service Fund	Total (Memorandum Only)
<b>Revenues:</b>			
Ad valorem taxes	\$ 60,033	\$ 180,098	\$ 240,131
Service charges	142,780	-	142,780
Intergovernmental:			
Fire insurance rebate	15,345	-	15,345
State supplemental pay	7,200	-	7,200
Interest income	5,087	678	5,765
Investment income	2,500	-	2,500
Miscellaneous	3,455	-	3,455
Total revenues	236,400	180,776	417,176
<b>Expenditures:</b>			
Salaries and related benefits	70,593	-	70,593
Legal and accounting	7,000	-	7,000
Insurance	22,284	-	22,284
Repairs and maintenance	32,079	-	32,079
Utilities	13,483	-	13,483
Capital outlay	7,423	-	7,423
Fuel	2,272	-	2,272
Legal advertising and elections	6,031	-	6,031
Supplies	11,803	-	11,803
Tax collection fees	10,364	-	10,364
Training	2,336	-	2,336
Debt service:			
Principal retirement	-	95,000	95,000
Interest paid	-	53,555	53,555
Other	4,281	8,310	12,591
Total expenditures	189,949	156,865	346,814
<b>Excess (Deficiency) of Revenues over Expenditures</b>	46,451	23,911	70,362
<b>Fund Balance at Beginning of Year</b>	301,828	351,831	653,659
<b>Fund Balance at End of Year</b>	\$ 348,279	\$ 375,742	\$ 724,021

See accompanying notes to financial statements

**CADDO PARISH FIRE DISTRICT NO. 8**  
 Combined Statement of Revenues, Expenditures and Changes in  
 Fund Balance - Budget (Cash Basis) and Actual - General Fund  
 Year Ended December 31, 1999

	Budget (Cash Basis)	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Ad valorem taxes	\$ -	\$ 60,033	\$ 60,033
Service charges	132,150	142,780	10,630
Intergovernmental:			
Fire insurance rebate	14,597	15,345	748
State supplemental pay	-	7,200	7,200
Interest income	5,000	5,087	87
Investment income	-	2,500	2,500
Miscellaneous	3,000	3,455	455
Total revenues	<u>154,747</u>	<u>236,400</u>	<u>81,653</u>
<b>Expenditures:</b>			
Salaries and related benefits	62,424	70,593	(8,169)
Legal and accounting	7,000	7,000	-
Insurance	23,667	22,284	1,383
Repairs and maintenance	36,889	32,079	4,810
Utilities	15,700	13,483	2,217
Capital outlay	7,518	7,423	95
Fuel	4,000	2,272	1,728
Legal advertising and elections	-	6,031	(6,031)
Supplies	10,830	11,803	(973)
Tax collection fees	9,911	10,364	(453)
Training	2,250	2,336	(86)
Other	1,960	4,281	(2,321)
Total expenditures	<u>182,149</u>	<u>189,949</u>	<u>(7,800)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>\$ (27,402)</u>	46,451	<u>\$ 73,853</u>
<b>Fund Balance at Beginning of Year</b>		<u>301,828</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 348,279</u>	

See accompanying notes to financial statements



## CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements  
December 31, 1999

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The Caddo Parish Fire District No. 8 (the District) was created by the Caddo Parish Commission by ordinance on February 24, 1988, as provided under the Louisiana Revised Statute 40:1496. The District is comprised of property in Northwest Caddo Parish and is governed by a Board of Commissioners, who are appointed by the Caddo Parish Commission. The purpose of the District is to provide fire protection and emergency services to residents of the District.

### *1. Summary of Significant Accounting Policies:*

#### **Basis of Presentation**

The accompanying general purpose financial statements of Caddo Parish Fire District No. 8 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.

#### **Reporting Entity**

The District is a component unit of the Caddo Parish Commission, the financial reporting entity. The commission is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

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 financial reporting entity.

#### **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 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:



## CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements  
December 31, 1999

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### 1. *Summary of Significant Accounting Policies (Continued):*

#### **Fund Accounting (continued)**

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.

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.

#### **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:

##### Revenues

Ad valorem taxes and service charges are recorded 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. All other revenues are recorded when received.

##### Expenditures

Operating expenditures are recorded when liability is incurred. Interest on long-term debt is recorded when paid.

#### **Use of Estimates**

The preparation of financial statements generally requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements  
December 31, 1999

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### **Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The budget is prepared by the Board of Commissioners.
2. A summary of the proposed budget is published and the public notified that the budget is available for public inspection.
3. All budgetary appropriations lapse at the end of each calendar year.
4. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Commissioners. The 1999 budget was amended in accordance with Louisiana statutes by the Board of Commissioners.

### **Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under laws of the United States.

### **Investments**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

### **Bad Debts**

Uncollectible amounts due for ad valorem taxes receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. An allowance account for parcel fees is not considered necessary due to the history of parcel fee collections.

### **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. 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. Donated fixed assets are stated at their estimated fair value on the date donated.

## CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements  
December 31, 1999

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### Long-term Obligations

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 liabilities are recognized in the governmental funds when due.

### Compensated Absences

Compensated absences for vacation and sick leave do not accrue past the calendar year and are not paid for if not taken.

### Fund Equity

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

### 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. *Cash and Cash Equivalents:*

At December 31, 1999, the District has cash and cash equivalents (book balances) totaling \$364,773 as follows:

Demand deposits	\$ 25,327
Interest-bearing demand deposits	339,196
Petty cash	<u>250</u>
Total	<u>\$ 364,773</u>

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 deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1999, the District has \$550,142 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$148,604 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining balance of \$101,538 is not secured by the pledge of securities and is a violation of state law.

**CADDO PARISH FIRE DISTRICT NO. 8**

Notes to Financial Statements  
December 31, 1999

**2. Cash and Cash Equivalents (continued):**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**3. Receivables:**

The following is a summary of receivables at December 31, 1999:

Class of Receivable	General Fund	Debt Service Fund	Total
Ad valorem taxes	\$ 60,033	\$ 180,098	\$ 240,131
Service charges	131,250	-	131,250
	191,283	180,098	371,381
Allowance for bad debts	(2,000)	(6,000)	(8,000)
Total	<u>\$ 189,283</u>	<u>\$ 174,098</u>	<u>\$ 363,381</u>

**4. Ad Valorem Taxes and Service Charges:**

In an election on October 7, 1989, the voters approved the issuance of general obligation bonds and the corresponding ad valorem taxes to be levied for debt service. The amount levied for 1999 was twelve (12) mills. On July 17, 1999, the voters approved a ten (10) year four (4) mill property tax beginning with the year 1999 and ending with the year 2008 for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities, and obtaining water for fire protection purposes and to the extent permitted by law, acquiring, constructing, improving, maintaining and/or operating emergency medical facilities.

For the year ended December 31, 1999, total ad valorem taxes of 16 mills were levied on property with assessed valuations totaling \$19,093,360 and were dedicated for the retirement of the general obligation bonds. After the application of homestead exemptions and adjudicated property, total taxes levied at December 31, 1999, for debt retirement and for operation were \$180,098 and \$60,033, respectively.

On July 17, 1999, the voters approved a ten (10) year service charge of up to \$50 per residential or commercial structure for fire protection services commencing January 1, 2000, to be levied in lieu of the \$50 parcel fee previously authorized. Total service charges levied at December 31, 1999, were \$131,250.

Ad valorem taxes and service charges are levied on November 1<sup>st</sup> of each year and are due by December 31<sup>st</sup>. If payment has not been made by due date, liens are attached to property as of January 1<sup>st</sup> of the following year.



**CADDO PARISH FIRE DISTRICT NO. 8**

Notes to Financial Statements  
December 31, 1999

**5. Long-Term Debt:**

In an election held on October 11, 1989, the voters authorized the issuance of \$1,325,000 in general obligation bonds for acquiring land, buildings, and equipment to be used in providing fire protection to the District. The bonds were issued on May 15, 1990, and are payable in annual principal installments of \$15,000 to \$145,000 with interest paid semi-annually at rates ranging from 12% to 6.4%. A summary of change in general long-term obligations is as follows:

Balance, December 31, 1998	\$ 825,000
Debt retired	<u>(95,000)</u>
Balance, December 31, 1999	<u>\$ 730,000</u>

The annual requirements to amortize the general obligation bonds as of December 31, 1999, including interest payments, are as follows:

<u>Year Ending December 31</u>	<u>Principal and Interest Due</u>
2000	\$ 146,875
2001	149,740
2002	147,203
2003	148,975
2004	149,875
2005	<u>150,075</u>
Total	892,743
Less interest	<u>162,743</u>
Outstanding principal	<u>\$ 730,000</u>

**6. Changes in General Fixed Assets:**

A summary of changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Buildings	675,009	-	-	675,009
Vehicles	493,095	-	-	493,095
Equipment and furniture	<u>223,127</u>	<u>7,423</u>	-	<u>230,550</u>
Total	<u>\$ 1,416,231</u>	<u>\$ 7,423</u>	<u>\$ -</u>	<u>\$ 1,423,654</u>

## CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements  
December 31, 1999

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### 7. *Pension Plan:*

#### Firefighters' Retirement System of Louisiana

*Plan Description.* Substantially all employees the District 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 before 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 at 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 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent 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 or amended 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 District 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 District 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 District's contributions to the System for the years ending December 31, 1999, 1998, and 1997 were \$5,589, \$6,132, and \$4,388, respectively, equal to the required contributions for each year.

### 8. *Per Diem Paid to Board Members:*

The District has a voluntary board; therefore, no per diem amounts were paid during this period.



## CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements  
December 31, 1999

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### ***9. Commitments and Contingencies:***

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation. Settlements have not exceeded insurance coverage in any of the past three years.

### ***10. Related Party Transactions:***

Procedures, observations, and inquiries did not disclose any material related party transactions for the years ended December 31, 1999.

### ***11. On-Behalf Payments for Fringe Benefits and Salaries:***

GASB Statement No. 24 requires that on-behalf payments be recognized as both revenue and expenditure by an employer governmental entity. In accordance with this Statement, \$7,200 has been recognized in both intergovernmental revenue – state supplemental pay and public safety expenditures due to on-behalf payments for fringe benefits and salaries.

### ***12. Reconciliation of Differences Between the Budgetary-Based Financial Statements and the GAAP-Based Financial Statements:***

As discussed in Note 1, the budget is prepared on a cash basis of accounting. However, the modified accrual basis of accounting is used for financial reporting purposes in accordance with GAAP. Exhibit 1 on page 13 is a Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgeting Basis Variance with GAAP) for the year ended December 31, 1999. The statement reconciles the differences between the budgetary-based financial statements and the GAAP-based financial statements for the general fund

**CADDO PARISH FIRE DISTRICT NO. 8**

Notes to Financial Statements  
December 31, 1999

**Exhibit 1  
Budgetary/GAAP Reporting Reconciliation**

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Ad valorem taxes	\$ 60,033	\$ (60,033)	\$ -	\$ -	\$ -
Service charges	142,780	(4,589)	138,191	132,150	6,041
Intergovernmental:					
Fire insurance rebate	15,345	-	15,345	14,597	748
State supplemental pay	7,200	(7,200)	-	-	-
Interest income	5,087	-	5,087	5,000	87
Investment income	2,500	-	2,500	-	2,500
Miscellaneous	3,455	-	3,455	3,000	455
Total revenues	<u>236,400</u>	<u>(71,822)</u>	<u>164,578</u>	<u>154,747</u>	<u>9,831</u>
<b>Expenditures:</b>					
Salaries and related benefits	70,593	(7,200)	63,393	62,424	(969)
Legal and accounting	7,000	-	7,000	7,000	-
Insurance	22,284	(391)	21,893	23,667	1,774
Repairs and maintenance	32,079	(8,843)	23,236	36,889	13,653
Utilities	13,483	-	13,483	15,700	2,217
Capital outlay	7,423	-	7,423	7,518	95
Fuel	2,272	-	2,272	4,000	1,728
Legal advertising and elections	6,031	-	6,031	-	(6,031)
Supplies	11,803	-	11,803	10,830	(973)
Tax collection fees	10,364	-	10,364	9,911	(453)
Training and travel	2,336	-	2,336	2,250	(86)
Other	4,281	-	4,280	1,960	1,960
Total expenditures	<u>189,949</u>	<u>(16,434)</u>	<u>173,514</u>	<u>182,149</u>	<u>12,915</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	46,451	<u>\$ (55,388)</u>	<u>\$ (8,936)</u>	<u>\$ (27,402)</u>	<u>\$ 22,746</u>
<b>Fund Balances, Beginning</b>	<u>301,828</u>				
<b>Fund Balances, Ending</b>	<u>\$ 348,279</u>				

**OTHER REPORT**



SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

610 MARSHALL STREET SUITE 800 • SHREVEPORT, LOUISIANA • 71101-5332 • TELEPHONE 318 222 5701 • FAX 318 424 4736  
401 HAMILTON ROAD SUITE 112 • BOSSIER CITY, LOUISIANA 71111 • TELEPHONE 318 742 4935 • FAX 318 742 4989

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

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

We have audited the general purpose financial statements of Caddo Parish Fire District No. 8, Caddo Parish, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 13, 2000. 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 Caddo Parish Fire District No. 8, Caddo Parish, Louisiana's 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caddo Parish Fire District No. 8, 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Caddo Parish Fire District No. 8, Caddo Parish, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all

matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described in the accompanying schedule is a material weakness.

This report is intended solely for the information and use of management and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants  
Shreveport, Louisiana

June 13, 2000

## **SUMMARY OF AUDIT FINDINGS**



## CADDO PARISH FIRE DISTRICT NO. 8

Summary of Audit Findings  
December 31, 1999

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### Schedule of Findings

99-1 – All cash deposits were not held at banks.

99-2 -- Some deposits were uninsured and unsecured.

### Corrective Action Planned

99-1 – The District plans to withdraw the funds by June 30, 2000. Any future investments will be handled by a local investment advisor who will closely monitor future U.S. Treasury investments to assure they are reinvested upon maturity and no cash balance remains at the investment company.

99-2 – The District plans to withdraw the funds at the investment company by June 30, 2000. The funds held at the bank were only unsecured for 40 days before the balance was reduced to below the maximum insured amount of \$100,000. The bank has been contacted to insure that this does not occur when they make a large deposit in the future. If it does, the District will consider the need to change fiscal agents.

### Schedule of Prior Findings

There were no prior year findings.