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CADDO PARISH FIRE DISTRICT NUMBER SEVEN

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FINANCIAL STATEMENTS

December 31, 1999 and 2000

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Release Date 7/21/08

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

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SMITH PLOUGH KOHNOWITZ & L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners
Caldie Parish Fire District, Member Seven
Caldie Parish, Louisiana

We have audited the accompanying general purpose financial statements of Caldie Parish Fire District, Member Seven, a component unit of the Caldie Parish Commission, as of December 31, 1999 and 1998, and for the years ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Caldie Parish Fire District Member Seven'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 misstatements. 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of Caldie Parish Fire District Member Seven, as of December 31, 1999 and 1998, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 3, 2000 on our consideration of Caldie Parish Fire District Member Seven's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

This audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of component unit financial statements is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of Caldie Parish Fire District Member Seven. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial audit, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Smith Plough Kohnowitz & L.L.P.
Certified Public Accountants

June 1, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

CALICO PARKS FIRE DISTRICT NUMBER SIXTY

Continued Balance Sheet - All Fund Types and Account Groups
December 31, 1999

	General Fund	General Fixed Assets Account Group	General Long-term Debt Account Group	Totals (Memorandum Only)	
				December 31, 1999	December 31, 1998
ASSETS					
Cash	\$ 135,903	\$ -	\$ -	\$ 135,903	\$ 184,893
Investments	143,158	-	-	143,158	199,268
Receivables:					
Property taxes	345,007	-	-	345,007	555,793
Less allowance for uncollectible taxes	(21,789)	-	-	(21,789)	(30,943)
Account interest	189	-	-	189	132
Prepaid insurance	17,683	-	-	17,683	18,995
Deposits	35	-	-	35	35
Short-term assets: certificates of deposit	25,621	-	-	25,621	23,082
Investments in fixed assets	-	1,629,334	-	1,629,334	1,621,843
Amount to be provided for retirement of long-term debt	-	-	638,879	638,879	761,548
Total Assets	\$ 783,462	\$ 1,629,334	\$ 638,879	\$ 2,050,495	\$ 2,082,838
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ 1,838	\$ -	\$ -	\$ 1,838	\$ 1,766
Payroll taxes payable	383	-	-	383	1,340
General obligation bonds payable	-	-	685,080	685,080	715,080
Capital lease payable	-	-	25,079	25,079	28,548
Total Liabilities	2,219	-	638,879	632,380	766,634
Fund Equity:					
Investment in general fixed assets	-	1,629,334	-	1,629,334	1,621,843
Fund balances:					
Reversed for prepaid insurance	17,683	-	-	17,683	18,995
Unreserved and undesignated	683,549	-	-	683,549	638,734
Total Fund Equity	701,232	1,629,334	-	2,330,514	2,288,571
Total Liabilities and Fund Equity	\$ 783,462	\$ 1,629,334	\$ 638,879	\$ 2,050,495	\$ 2,082,838

CARDO PARISH FIRE DISTRICT NUMBER SEVEN

**Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1998**

	General Fund	General Fixed Assets Account Group	General Long-Term Debt Account Group	Totals (Monetary Units Only)	
				December 31, 1998	December 31, 1997
Assets					
Cash	\$ 164,899	\$ -	\$ -	\$ 164,899	\$ 111,807
Investments	139,268	-	-	139,268	131,299
Receivables					
Property taxes	354,790	-	-	354,790	483,866
Loan allowance for uncollectible taxes	(20,942)	-	-	(20,942)	(31,349)
Accrued interest	132	-	-	132	368
Prepaid insurance	18,995	-	-	18,995	28,861
Deposits	75	-	-	75	75
Residual assets: certificates of deposit	23,800	-	-	23,800	46,626
Investments in fixed assets	-	1,621,043	-	1,621,043	1,758,549
Amount to be provided for retirement of long-term debt	-	-	761,548	761,548	888,277
Total Assets	\$ 688,217	\$ 1,621,043	\$ 761,548	\$ 3,662,818	\$ 3,314,871
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ 1,766	\$ -	\$ -	\$ 1,766	\$ 1,889
Payroll taxes payable	1,340	-	-	1,340	1,880
General obligation bonds payable	-	-	725,000	725,000	848,000
Capital lease payable	-	-	36,548	36,548	48,277
Total Liabilities	3,106	-	761,548	761,654	899,046
Fund Equity:					
Investment in general fixed assets	-	1,621,043	-	1,621,043	1,758,549
Fund balance:					
Reserved for prepaid insurance	18,995	-	-	18,995	28,861
Unreserved and unassigned	658,136	-	-	658,136	652,135
Total Fund Equity	677,131	1,621,043	-	3,298,174	3,420,685
Total Liabilities and Fund Equity	\$ 880,237	\$ 1,621,043	\$ 761,548	\$ 3,662,818	\$ 3,314,871

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Statement of Revenues, Expenditures, and Changes
in Fund Balances - All Governmental Fund Types
For the Year Ended December 31, 1999

	(Moneroaches Only)	
	General Fund	December 31, 1999
	<u> </u>	<u> </u>
Revenues:		
Property taxes	\$ 161,800	\$ 154,893
Intergovernmental:		
Fire insurance rebates	12,628	12,818
State revenue sharing	8,319	8,227
Interest	12,779	14,852
Investment	3,898	7,909
Miscellaneous	1,815	7,144
Total revenues	<u>204,439</u>	<u>195,733</u>
Expenditures:		
Current:		
Public safety	104,123	111,719
General government	81,149	76,380
Capital outlay	8,281	580
Debt service:		
Local principal retirement	118,080	115,080
Local principal retirement	11,469	18,818
Interest	53,513	62,732
Total expenditures	<u>377,535</u>	<u>394,529</u>
Excess (deficiency) of revenues over expenditures	26,904	4,877
Fund balance at beginning of year	671,131	671,854
Fund balance at end of year	<u>\$ 703,232</u>	<u>\$ 677,181</u>

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Statement of Revenues, Expenditures, and Changes
in Fund Balances - All Governmental Fund Types
For the Year Ended December 31, 1998

	General Fund	(Memorandum Only) December 31, 1997
	<u> </u>	<u> </u>
Revenues:		
Property taxes	\$ 154,893	\$ 482,886
Intergovernmental:		
Fire insurance rebate	13,818	11,671
State revenue sharing	8,227	4,909
Interest	14,837	10,117
Investment	7,879	7,424
Miscellaneous	3,246	318
Total revenues	<u>402,215</u>	<u>437,565</u>
Expenditures:		
Current:		
Public safety	131,709	148,748
General government	76,180	96,626
Capital outlay	580	8,242
Debt service:		
Bond principal retirement	115,080	118,080
Lease principal retirement	18,800	8,948
Interest paid	62,727	70,102
Total expenditures	<u>387,196</u>	<u>450,186</u>
Excess (deficiency) of revenues over expenditures	4,019	(12,621)
Fund balance at beginning of year	629,814	682,158
Fund balance at end of year	<u>\$ 633,133</u>	<u>\$ 631,054</u>

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

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

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Property tax	\$ 331,020	\$ 340,807	\$ 9,786
Intergovernmental	3,772	20,945	16,173
Interest and investment	9,858	10,609	751
Miscellaneous	20,665	1,835	(18,790)
Total revenues	<u>365,315</u>	<u>484,196</u>	<u>118,881</u>
Expenditures:			
Current:			
Public safety	312,544	288,593	23,951
General government	42,986	81,189	(38,203)
Capital outlay	2,758	8,281	(5,523)
Total expenditures	<u>358,288</u>	<u>378,063</u>	<u>(19,775)</u>
Excess (deficiency) of revenues over expenditures	5,027	26,133	20,990
Fund balance at beginning of year	671,131	671,131	
Fund balance at end of year	<u>\$ 682,440</u>	<u>\$ 703,732</u>	<u>\$ 20,990</u>

CAJALO PARISH FIRE DISTRICT NUMBER SEVEN

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

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property tax	\$ 371,008	\$ 354,880	\$ (16,128)
Intergovernmental	5,580	18,745	14,745
Interest and Investment	14,828	22,831	8,003
Miscellaneous	1,999	3,244	1,245
Total revenues	<u>393,415</u>	<u>400,200</u>	<u>7,885</u>
Expenditures:			
Current:			
Public safety	318,483	328,256	(9,771)
General government	48,069	36,389	(11,680)
Capital outlay	3,723	500	2,823
Total expenditures	<u>369,275</u>	<u>365,145</u>	<u>(4,130)</u>
(Excess (deficiency) of revenues over expenditures)	24,140	4,055	(19,370)
Fund balance at beginning of year	673,854	673,854	
Fund balance at end of year	<u>\$ 697,994</u>	<u>\$ 677,909</u>	<u>\$ (19,370)</u>

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Notes to Financial Statements
December 31, 1999 and 1998

The Caddo Parish Fire District Number Seven (the District) was created by the Caddo Parish Commission by ordinance on January 28, 1987, as provided under the Louisiana Revised Statutes 40:1495. The District is comprised of 127 square miles in Northeast Caddo Parish and provides fire protection and emergency services to approximately 4,000 residents. The District is governed by a six member Board of Commissioners appointed by the Caddo Parish Commission.

1. Summary of Significant Accounting Policies

The accompanying general purpose financial statements of Caddo Parish Fire District Number Seven have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The following is a summary of certain significant accounting policies:

Reporting Entity – As the governing authority of the parish, for reporting purposes, the Caddo Parish Commission (the Commission) is the financial reporting entity for Caddo Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which there is a high degree of likelihood 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 Parish Commission for financial reporting purposes. The basic criteria 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Commission to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Commission.
2. Organizations for which the Commission does not appoint a voting majority but are financially dependent on the Commission.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Commission meets the first criterion listed above, the District was determined to be a component unit of the Caddo Parish Commission, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

These financial statements include all funds and account groups over which the District exercises control, whether by management, influence or accountability. Control by or influence over the District was determined on the basis of budget adoption, taxing authority in some debt, decisions or appointment of the governing body, and general oversight responsibility.

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Notes to Financial Statements
December 31, 1999 and 1998

1. Summary of Significant Accounting Policies (Continued)

Fund Accounting - The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Government revenues are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources and is categorized as a general fund.

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

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when measurable to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Use of Estimates - The preparation of financial statements generally requires management to make estimates and assumptions that affect the 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.

Budgetary 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 (GAAP). Budgetary amounts are as originally adopted, or as amended from time to time by the Board of Commissioners. The 1999 and 1998 budgets were amended in accordance with Louisiana statute by the Board of Commissioners.

The budget and actual comparisons on pages six and seven show an undesirable variance for expenditures for 1999 and 1998. The District did not budget for bad debt expense in 1999 and 1998.

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Notes to Financial Statements
December 31, 1999 and 1998

1. Summary of Significant Accounting Policies (Continued)

Budget and Expenditure Account by (Continued)

The District also records the property tax revenue received from the sheriff's office if not, which does not take into account the District's share of portion expense for various general fund activities. The following shows the results of the budget and actual comparison had the actual expenditures been recorded as in prior years.

Expenditures:	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
Current:			
Public Safety	\$ 708,485	\$ 300,256	\$ 408,229
General government	46,060	59,434	(13,374)
Capital Outlay	3,500	500	3,000
Total expenditures	\$ 758,045	\$ 360,194	\$ 397,851

Expenditures:	1999		
	Budget	Actual	Variance Favorable (Unfavorable)
Current:			
Public Safety	\$ 512,564	\$ 288,905	\$ 223,659
General government	42,060	52,415	(10,355)
Capital Outlay	3,708	8,284	(4,576)
Total expenditures	\$ 558,332	\$ 349,604	\$ 208,728

Although the 1998 total expenditures variance is unfavorable, it is within the five percent of the budgeted total as required by state statute.

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 33:2815 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 property taxes receivable are recognized as bad debts through the establishment of an allowance account at the first indication because a multiple which would indicate the collectibility of the particular receivable.

CALICO PARISH FIRE DISTRICT NUMBER SEVEN

**Notes to Financial Statements
December 31, 1999 and 1998**

1. Summary of Significant Accounting Policies (Continued)

Fixed Assets - Fixed assets are recorded as expenditures in the governmental funds at the time purchased or constructed, and the related assets are reported in the general fund assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost in historical cost is not available. Depreciated fixed assets are stated at their estimated fair value on the date stated.

Long-term Debt - Long-term liabilities reported to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term liabilities are recognized in the governmental fund when due.

Compensated Absences - Compensated absences do not accrue past the calendar year and are not paid for if not taken. Therefore, no liability for compensated absences exist.

Reclassifications - Certain reclassifications have been made to the 1999 financial statement presentation to correspond to the current year's format. Total fund balances and changes in fund balances are unchanged due to these reclassifications.

Total Columns in Combined Statements - Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Items in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Material is such that comparable to a reclassification.

2. Cash

The District's cash is categorized to give an indication of the level of risk assumed by the District at December 31, 1999 and 1998. The categories are described as follows:

Category 1 - Insured or collateralized with securities held for the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized.

Description	Category			Bank Balance	Carrying Amount
	1	2	3		
Unrestricted cash - general fund - December 31, 1999	\$ 108,000	\$ 79,230	\$ -	\$ 179,230	\$ 179,230
Unrestricted cash - general fund - December 31, 1998	\$ 108,000	\$ 97,118	\$ -	\$ 205,118	\$ 205,118

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Notes to Financial Statements
December 31, 1999 and 1998

1. Investments

The District invested in certificates of deposit and United States Government short-term bonds for the years ended December 31, 1999 and 1998. The certificates were invested with a national bank's branch office and were used to pay for principal and interest on the general obligation bonds. The District adopted GASBS 30 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" during 1998. This statement requires investments to be carried at fair value with unamortized changes being recorded in investment income in the statements of revenues, expenditures, and changes in fund balance.

The District's investments are categorized to give an indication of the level of risk assumed by the District at December 31, 1999 and 1998. The categories are described as follows:

- Category 1 - Insured or registered, with securities held by the District or its agent in the District's name.
- Category 2 - Uninsured or unregistered, with the securities held by the municipality's trust department or agent in the District's name.
- Category 3 - Uninsured and unregistered, with securities held by the municipality, or its trust department or agent but not in the District's name.

Investments, categorized by level of risk, are:

Description	Category			Fair Value	Amortized Cost	Cost	Total Carrying Amount
	1	2	3				
1999							
Certificates of deposit	\$ 25,621	\$ -	\$ -	\$ 25,621	\$ -	\$ -	\$ 25,621
Short-term-bond fund	143,128	-	-	143,128	-	-	143,128
	<u>\$ 168,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,749</u>
1998							
Certificates of deposit	\$ 23,882	\$ -	\$ -	\$ 23,882	\$ -	\$ -	\$ 23,882
Short-term-bond fund	139,269	-	-	139,269	-	-	139,269
	<u>\$ 163,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,151</u>

Calculation of the net income (loss) on the fair value of investments - aggregate method

	1999	
Fair value at December 31, 1999	\$	143,128
Add: Proceeds of sales	-	-
Less: Cost of purchases/acquisitions	-	17,019
Total: Fair value at December 31, 1998	-	126,109
Change in fair value of investments	<u>\$</u>	<u>17,019</u>

CAJADO PARISH FIRE DISTRICT NUMBER SEVEN

Notes to Financial Statements
December 31, 1999 and 1998

3. Investments (Continued)

	1999	
Fair value at December 31, 1998	\$	179,209
Add: Proceeds of sales		-
Less: Cost of purchases/acquisitions		(7,531)
Less: Fair value at December 31, 1999		(136,739)
Change in fair value of investments	\$	1,939

4. Property Taxes

Property taxes are levied by the District on property values assessed by the State of Louisiana Tax Commission in an election on January 16, 1998, the voters approved the levy of property taxes. The District levies taxes on real and business personal property within its boundaries. Property taxes are due by December 31 and attach as an enforceable lien on property as of January 1 of each year. Property taxes are reported in receivables and revenues in the year assessed in the system since revenues are collected within 60 days after year-end. For the year ended December 31, 1999 and 1998, taxes of 18.15 mills were levied on property with assessed valuations totaling \$19,831,098 and \$20,744,480, respectively, and were allocated for the retirement of general obligations bonds (\$20 million) and maintenance and operations (\$0.85 million). Total taxes levied at December 31, 1999 and 1998 after adjustments for revenues and uncollected property were \$154,491 and \$167,087, respectively.

5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	1999				Balance at 12/31/98
	Balance at 12/31/99	Addition	Retirements	Adjustments	
Land	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Buildings	687,845	-	-	-	687,845
Vehicles and equipment	1,046,774	-	(171,165)	(590)	975,019
Furniture and fixtures	35,620	500	(1,501)	-	34,619
Totals	\$ 1,738,239	\$ 500	\$ (172,666)	\$ (1,220)	\$ 1,670,862

	1998				Balance at 12/31/97
	Balance at 12/31/98	Addition	Retirements	Adjustments	
Land	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Buildings	647,845	7,511	-	-	655,356
Vehicles and equipment	938,689	-	-	-	938,689
Furniture and fixtures	34,588	750	-	-	35,338
Totals	\$ 1,631,122	\$ 8,261	\$ -	\$ -	\$ 1,670,383

CALICO PARISH FIRE DISTRICT NUMBER SEVEN

Notes to Financial Statements December 31, 1999 and 1998

a. Long-Term Debt

In an election held on January 16, 1998, the voters authorized the issuance of \$1,500,000 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 1, 1998, and are payable in annual principal installments of \$15,000 to \$715,000 with interest paid semi-annually at rates ranging from 7.5% to 7.7%.

The summary of changes in general long-term obligations is as follows:

Balance, December 31, 1997	\$	640,000
Debt retirement		<u>(215,000)</u>
Balance, December 31, 1998		425,000
Debt retirement		<u>(230,000)</u>
Balance, December 31, 1999		<u>\$ 195,000</u>

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

Year Ending December 31	Principal and Interest Due
1999	\$170,600
2000	176,900
2001	174,400
2002	180,100
Total	<u>702,000</u>
Less interest	<u>96,150</u>
Cash/levy required	<u>\$605,850</u>

The District entered into a five year capital lease with the option to purchase a Western Ambulance dated December 14, 1995. The lease calls for annual principal payments of 19,400 to \$12,910 with interest paid annually at rates from 6.15% to 7.5%.

The summary of changes in the lease are as follows:

Balance, December 31, 1997	\$	48,177
Adjustment to correct balance		(220)
Payment		<u>(10,800)</u>
Balance, December 31, 1998		37,157
Payment		<u>(11,000)</u>
Balance, December 31, 1999		<u>\$ 26,157</u>

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Notes to Financial Statements
December 31, 1999 and 1998

6. Long-term Debt (Continued)

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

Year Ending December 31	Principal and Interest Due
2000	\$ 13,687
2001	13,687
Total	27,374
Less interest	3,306
Outstanding principal	\$ 24,068

7. Leases

The District has entered into a 15 year operating lease for station number five. The lease began in 1993 and rental payments are one dollar a month payable in advance at the beginning of each year.

As of December 31, 1999, the total remaining operating lease payments under this lease are as follows:

2000	\$ 12
2001	12
2002	12
2003	12
2004	12
2005-2008	156
Total lease payments	\$ 216

The District has entered into two operating leases with a town and a water district for the use of water and fire hydrants. The lease with the water district calls for annual payments of \$1,700 and is subject to review and/or renegotiation on each yearly anniversary date. The lease with the town calls for annual payments of \$624 and is subject to review and/or renegotiation on each yearly anniversary date.

The District entered into a five year capital lease for the purchase of a White truck/jumper in 1995. The total cost of the vehicle was \$95,314, but a down payment of \$37,480 and a discount of \$6,312 left \$51,522 remaining to be financed as described in Note 6.

8. Contingencies and Commitments

The District is exposed to various risks of loss related to toxic, theft of, damage to and destruction of assets; work and workplace 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.

9. Related Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transactions for the years ended December 31, 1999 and 1998.

SUPPLEMENTARY INFORMATION

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Schedule of Compensation Paid Board Members
December 31, 1998 and 1999

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution Number 64 of the 1978 Session of the Louisiana Legislature.

<u>Name</u>	<u>Term Expires</u>	<u>Amount Per Meeting</u>	<u>Number of Meetings</u>	<u>Total</u>
1998				
Scott Moses, Chairman	01/01/99	\$ 30.00	11	\$ 330.00
Lowell White, Vice Chairman	01/01/99	30.00	12	360.00
Rodney Filington, Treasurer	01/01/99	30.00	12	360.00
Hay Bankard	01/01/99	30.00	11	330.00
Major Fard (retired State)	01/01/99	30.00	7	210.00
Ronald Gaultney	01/01/99	30.00	11	330.00
Sam Spinkman (retired SOE)	01/01/99	30.00	2	60.00
1998 Totals		\$ 30.00	66	\$ 1,980.00
1999				
Scott Moses, Chairman	01/01/01	\$ 30.00	12	\$ 360.00
Lowell White, Vice Chairman	01/01/01	30.00	12	360.00
Rodney Filington, Treasurer	01/01/01	30.00	12	360.00
Hay Bankard	01/01/01	30.00	11	330.00
Major Fard	01/01/01	30.00	11	330.00
Ronald Gaultney	01/01/01	30.00	11	330.00
1999 Totals		\$ 30.00	69	\$ 2,040.00

Board member compensation is in compliance with LA Revised Statute 40:1485

**ADDITIONAL REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

Members of the Board of Commissioners
Caldie Parish Fire District Member Seven
Caldie Parish, Louisiana

We have audited the general purpose financial statements of the Caldie Parish Fire District, Member Seven, a component unit of the Caldie Parish Commission, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 1, 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 Caldie Parish Fire District Member Seven'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, non-compliance 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 is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings and question costs as item 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caldie Parish Fire District Member Seven'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.

This report is intended solely for the information and use of the board of commissioners, management, officers within the organization, and state and federal agencies, and is not intended to be, and should not be used by anyone other than those specified parties.



Certified Public Accountants

June 1, 2000

AUDIT FINDINGS

CAJALO PARISH DISTRICT NUMBER SEVEN

Summary Schedule of Prior Audit Findings December 31, 1999 and 1998

FINANCES RELATIVE TO COMPLIANCE

Management Letter- Public Bid Law

- Condition:** The District did not require three telephone quotes for a disbursement over \$1,500, but less than \$15,000.
- Recommendation:** The District should review their purchase policy for adequacy and maintain a file for purchases over \$1,500.
- Current Status:** The District maintains a file for purchases over \$1,500, which includes evidence of at least three telephone quotes and notation of the bid accepted. No similar audit findings were noted in the audit for the years ended December 31, 1999 and 1998.

Management Letter- Public Finance Law

- Condition:** The District did not receive approval from the State Bond Commission for a capital lease dated December 1993.
- Recommendation:** The District should submit the required paperwork to the State Bond Commission for approval of the capital lease.
- Current Status:** The District has not submitted the required paperwork for the State Bond Commission approval. Therefore, a similar finding for the years ended December 31, 1999 and 1998 is noted on the Schedule of Findings under Finding 89-1.

CADDO PARISH FIRE DISTRICT NUMBER SEVEN

Schedule of Findings and Questioned Costs

For the Years Ended December 31, 1999 and 1998

We have audited the general purpose financial statements of Caddo Parish Fire District Number Seven, Caddo Parish, Louisiana, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 3, 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. Our audit of the general purpose financial statements as of December 31, 1999 and 1998 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weakness Yes No Reportable Condition Yes No

Compliance
Compliance Material to Financial Statements Yes No

b. Federal Awards - None awarded for years ended December 31, 1999 and 1998

c. Identification of Major Programs: N/A

Section II - Financial Statement Finding

FINDING RELATIVE TO COMPLIANCE

99.1 Public Finance Laws

<i>Statement of Condition:</i>	The capital lease with Kansas State Bank has not been approved by the State Bond Commission.
<i>Criteria:</i>	Louisiana Revised Statute 33:1403(6) calls for State Bond Commission approval for leases not containing an anti-refundation clause.
<i>Effect of Condition:</i>	The District is not in compliance with the state public finance laws.
<i>Cause of Condition:</i>	The District was unaware at the time inception of the state public finance laws.
<i>Recommendation:</i>	The District should submit the required paperwork for the capital lease to the State Bond Commission for approval.
<i>Response:</i>	The District will submit the required paperwork for the capital lease and will advise the state statute holders incurring subsequent debt with terms of over 90 days.



CADDO PARISH FIRE DISTRICT SEVEN

"Advancing service with pride and professionalism"

7000 W. MAPLE - 70001 - 383-0000

Commissioners:

Harry Goodard
E. Wade Post
Raymond Pilkington
Scott Moore
Samuel Shackelford
Lorell White

Fire Chief:
Bruce Walker

383 Hwy 1 N., PO Box 1000 Gretna, LA 71601
(504) 795-7111

383 Hwy 1 N., PO Box 1000 Gretna, LA 71601

Fax (504) 795-4000

Secretary:
Andy Nottingham

CORRECTIVE ACTION PLAN

June 11, 2009

Mr. David G. Kyle, CPA
Legislative Auditor, State of Louisiana
P.O. Box 94097
Baton Rouge, LA 70804-8100

Dear Mr. Kyle:

The Caddo Parish Fire District Number Seven, Caddo Parish, Louisiana, respectfully submits the following corrective action plan for the years ended December 31, 1997 and 1998, for the Schedule of Findings:

FINANCE-RELATED NONCOMPLIANCE

Finding 70-1 Public Finance Laws

Recommendation: The District should submit the required paperwork for the capital lease to the State Debt Commission for approval.

Action Taken: The District will submit the required paperwork to the State Debt Commission.

Sincerely,

Scott Moore
Chairman, Board of Commissioners