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COMPONENT UNIT  
FINANCIAL STATEMENTS  
OF THE  
FIRE PROTECTION DISTRICT NO. 8 OF  
ACADIA PARISH  
STATE OF LOUISIANA  
AS OF DECEMBER 31, 1995

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

Release Date 7-24-96

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FIRE PROTECTION DISTRICT NO. 8 OF  
ACADIA PARISH  
STATE OF LOUISIANA

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# FREDERICK, NORTON, ROBERT & SCHULTHESS

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Commissioners  
Fire Protection District No. 8 of  
Acadia Parish  
State of Louisiana

We have audited the component unit financial statements of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana as of December 31, 1995, and for the year then ended. These component unit financial statements are the responsibility of the management of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted the audit in accordance with generally accepted auditing standards and Standards for Audits of Governmental Organizations, Programs, Activities, and Functions, promulgated by the United States General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana as of December 31, 1995, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

*Frederick, Norton, Robert & Schulthess*

FREDERICK, NORTON, ROBERT & SCHULTHESS  
June 12, 1995

FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

COMPONENT UNIT  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
AS OF DECEMBER 31, 1995

	-GOVERNMENTAL FUND-TYPE-		-ACCOUNT GROUPS-		TOTAL
	GENERAL FUND	DEBT SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	(MEMORANDUM ONLY)
<b>ASSETS:</b>					
Cash (See Note 1E)	\$ 4,063	\$ 4,432	\$ -0-	\$ -0-	\$ 8,495
Parcel Fee Taxes Receivable					
(Net of Allowances)	11,017	-0-	-0-	-0-	11,017
Fixed Assets	-0-	-0-	67,646	-0-	67,646
Amount Available In Debt Service Amount To Be Provided For Certificates of Indebtedness	-0-	-0-	-0-	4,432	4,432
Total Assets	<u>\$ 15,080</u>	<u>\$ 4,432</u>	<u>\$ 67,646</u>	<u>\$ 69,000</u>	<u>\$ 156,158</u>
<b>LIABILITIES OTHER CREDITS AND FUND EQUITY:</b>					
<b>Liabilities:</b>					
Certificates of Indebtedness Payable	-0-	-0-	-0-	69,000	69,000
Total Liabilities	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 69,000</u>	<u>\$ 69,000</u>
<b>Other Credits And Fund Equity:</b>					
Investment in General	\$ -0-	\$ -0-	\$ 67,646	\$ -0-	\$ 67,646
Fund Balance					
- Reserved					
- Unreserved					
- Designated for Debt Service	-0-	4,432	-0-	-0-	4,432
- Undesignated	15,080	-0-	-0-	-0-	15,080
Total Other Credits and Fund Equity	<u>\$ 15,080</u>	<u>\$ 4,432</u>	<u>\$ 67,646</u>	<u>\$ -0-</u>	<u>\$ 87,158</u>
Total Liabilities Other Credits and Fund Equity	<u>\$ 15,080</u>	<u>\$ 4,432</u>	<u>\$ 67,646</u>	<u>\$ 69,000</u>	<u>\$ 156,158</u>

FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

COMPONENT UNIT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
AND DEBT SERVICE  
FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL MEMORANDUM ONLY</u>
<b>REVENUES:</b>			
Parcel Fee Taxes	\$ 15,350	\$ -0-	\$ 15,350
Interest Income	524	-0-	524
Other Income	2,775	-0-	2,775
Total Revenues	<u>\$ 18,649</u>	<u>\$ -0-</u>	<u>\$ 18,649</u>
<b>EXPENDITURES:</b>			
Finance & Administrative	\$ 6,867	\$ -0-	\$ 6,867
Debt Service & Interest	-0-	9,055	9,055
Capital Outlay	2,162	-0-	2,162
Total Expenditures	<u>\$ 9,029</u>	<u>\$ 9,055</u>	<u>\$ 18,084</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 9,620</u>	(\$ 9,055)	<u>\$ 565</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	( 8,158)	8,158	-0-
Total Other Financing Sources (Uses)	<u>( 8,158)</u>	<u>\$ 8,158</u>	<u>-0-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ 1,462</u>	(\$ 897)	<u>\$ 565</u>
Fund Balance - Beginning	<u>13,618</u>	<u>5,329</u>	<u>18,947</u>
Fund Balance - Ending	<u>\$ 15,080</u>	<u>\$ 4,432</u>	<u>\$ 19,512</u>

The Accompanying Notes are an Integral Part of These Component Unit Financial Statements

FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

COMPONENT UNIT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1995

	BUDGET	ACTUAL	VARIANCE FAVORABLE ( UNFAVORABLE)
----- GENERAL FUND -----			
<u>REVENUES:</u>			
Parcel Fee Taxes	\$ 15,400	\$ 15,350	(\$ 50)
Interest Income	-	524	524
Other Income	4,500	2,775	( 1,725)
Total Revenues	<u>\$ 19,900</u>	<u>\$ 18,649</u>	<u>(\$ 1,251)</u>
<u>EXPENDITURES:</u>			
Finance & Administrative	\$ 6,457	\$ 6,867	(\$ 410)
Capital Outlay	3,240	2,162	1,078
Total Expenditures	<u>\$ 9,697</u>	<u>\$ 9,029</u>	<u>\$ 668</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 10,203</u>	<u>\$ 9,620</u>	<u>\$ 583</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)	( 9,900)	( 8,158)	1,742
Total Other Financing Sources (Uses)	<u>( 9,900)</u>	<u>(\$ 8,158)</u>	<u>1,742</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	\$ 303	\$ 1,462	\$ 1,159
Fund Balance - Beginning	<u>13,618</u>	<u>13,618</u>	<u>-0-</u>
Fund Balance - Ending	<u>\$ 13,921</u>	<u>\$ 15,080</u>	<u>\$ 1,159</u>

The Accompanying Notes are an Integral Part of These Component Unit Financial Statements

FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by the provisions of Part I, Chapter 7, Title 40 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto, the Police Jury of Acadia Parish created the Fire Protection District No. 8 of Acadia Parish, State of Louisiana to provide fire protection to the citizens within the boundaries of the district.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

A. Reporting Entity

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Financial Accountability
2. Appointment of a Voting Majority
3. Imposition of Will
4. Financial Benefit to or Burden on a Primary Government
5. Financial Accountability as a result of Fiscal Dependency

Because the police jury has financial accountability and they appointed a voting majority of the board of commissioners Fire Protection District No. 8 of Acadia Parish, State of Louisiana, was determined to be a component unit of the Acadia Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying component unit financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general governmental services provided by that governmental unit, or the governmental units that comprise the governmental reporting entity.

B. Fund Accounting

The accounts of the fire protection district are organized on the basis of funds and 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 comprises its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in these component unit financial statements are described as follows:

1. Governmental Fund Type

General Fund

The General Fund is the general accounting fund of the fire protection district. It accounts for all financial resources, except for those required to be accounted for in other funds.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 1995

2. Account Groups

The account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group rather than in the governmental funds. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. Fixed assets are valued at historical cost or estimated cost if historical cost is not available. No depreciation has been provided on fixed assets.

General Long-Term Debt Account Group

This account group is established to account for all long-term obligations to be financed from governmental fund types.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases 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 recognized when they become both measurable and available. Measurable means that the amount of the transaction can be determined and available means that the amount of the transaction is collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as a fund liability when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

1. Revenues

Parcel fee taxes are recorded in the year the fees are assessed. Parcel fees are assessed for the calendar year, become due on November 15th of each year, and become delinquent on December 31st. The fees are generally collected in December of the current year and during January and February of the following year. Interest income represents amounts earned on interest bearing checking accounts. Intergovernmental revenue is recorded when received.

2. Expenditures

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

3. Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid and the proceeds from the sale of certificates of indebtedness are accounted for as other financing sources (uses) and are recognized when the underlying event occurs.



FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

NOTES TO THE FINANCIAL STATEMENTS (continued)  
As of December 31, 1995

D. Budget Practices

Formal budgetary accounting is employed as a management control for the general fund of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana. An annual operating budget is adopted each year through the passage of an annual budget and amended as required for the general fund and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Furthermore, the Fire Protection District No. 8 of Acadia Parish, State of Louisiana also employs procedures in establishing the budgetary data reflected in these component unit financial statements as follows:

1. The fire protection district prepares the proposed budget following Louisiana Revised Statute 39:1304.
2. A summary of the total proposed budget is published and the public notified that the proposed budget is available for public inspection.
3. After publication the budget is adopted.
4. The board of commissioners of the fire protection district has sole authority to make changes. The budget can be amended as set forth in Louisiana Revised Statute 39:1312 and Act 186 of 1984. All appropriations lapse at year-end.
5. The annual budget for the general fund is prepared in accordance with the basis of accounting utilized by that fund.
6. The Fire Protection District No. 8 of Acadia Parish, State of Louisiana does not use the encumbrance basis of accounting.

Informal budgetary integration was employed as a management control device during the year. Budgeted amounts included in the accompanying component unit financial statements include the amended budget amounts.

E. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include checking accounts and certificates of deposit (if applicable). Under state law, the fire protection district may deposit funds within a fiscal agent bank organized under the laws of the United States, or under the laws of the State of Louisiana, or any other state in the union. Further, the fire protection district may invest in time deposits or certificates of deposit of state banks organized under Louisiana Law and national banks having principle offices in Louisiana, or in obligations guaranteed by the federal government.

The Fire Protection District No. 8 of Acadia Parish, State of Louisiana had cash and cash equivalents totaling \$ 8,495 at December 31, 1995. Cash and cash equivalents are stated at cost which approximated market. These deposits must be secured under state law by federal deposit insurance on the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times be equal to the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved.

FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 1995

The following is a summary of cash and cash equivalents at December 31, 1995 with the related federal deposit insurance and pledged securities:

	Balance 12/31/94	FDIC/FSLIC Insurance	Balance Uninsured
Operating & Maintenance Account	\$ 4,063	\$ 100,000	\$ -0-
Bond Sinking Account	\$ 4,432	\$ 100,000	\$ -0-

- F. Receivables  
All receivables are reported at their net values, which is the gross receivable less the estimated portion that is expected to be uncollectible.
- G. Fixed Assets  
Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Plant, property, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.
- H. Investments  
Under Louisiana Revised Statute 39:1221, the fire protection district may invest in certain securities. However, the Fire Protection District No. 8 of Acadia Parish, State of Louisiana chooses not to invest in any securities.
- I. Fund Equity  
Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. The General Fund of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana has a fund balance that is unreserved and undesignated. The Debt Service Fund of Fire Protection District No. 8 of Acadia Parish, State of Louisiana has a fund balance that is unreserved but designated for the retirement of long-term debt.
- J. Vacation and Sick Leave  
The fire protection district has no policies related to vacation and sick leave. The firemen of the district are all volunteer.
- K. Total Column on Balance Sheet  
The total columns on the balance sheet 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 changes in financial position in conformity with generally accepted accounting principles.
- L. Parcel Fee Taxes  
The following is a summary of authorized and levied parcel fee taxes:

	Authorized Fee	Levied Fee
Fire Protection District No. 8 of Acadia Parish	\$ 25	\$ 25

FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

NOTES TO THE FINANCIAL STATEMENTS (continued)  
As of December 31, 1995

2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Total</u>
Balance, January 1, 1995	\$ 65,484	\$ -0-	\$ 65,484
Additions	2,162	-0-	2,162
Deductions	-0-	-0-	-0-
Balance, December 31, 1995	\$ 67,646	\$ -0-	\$ 67,646

The fire protection district has obtained two additional pieces of equipment through the Federal Excess Property Program. Although the title remains with the United States Forestry Department the fire protection district has indefinite use of the equipment as long as they maintain the equipment and provide adequate insurance coverage for the equipment. The Louisiana Department of Agriculture & Forestry makes inspections of the equipment at least once every two years to determine that the fire protection district is maintaining the equipment and has proper insurance coverage.

3. LONG-TERM OBLIGATIONS

Long-term obligations of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana are reported in the General Long-Term Debt Account Group. The Fire Protection District No. 8 of Acadia Parish, State of Louisiana issued Certificates of Indebtedness totaling \$ 75,000 in March 1993. Long-term debt payable at December 31, 1995 is \$ 69,000 and is comprised of the following:

Debt outstanding January 1, 1995	\$ 75,000
Additions of new debt	-0-
Retirements and repayments	6,000
Debt outstanding December 31, 1995	\$ 69,000

The annual requirements to amortize all debt outstanding at December 31, 1995, including interest of \$ 21,710 are as follows:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Due</u>	<u>Annual Total</u>
01/Sep/95	-0-	6.500%	2,243	2,243	10,680
01/Mar/96	7,000	6.500%	2,242	9,242	
01/Sep/96	-0-	6.500%	2,015	2,015	11,257
01/Mar/97	7,000	6.500%	2,015	9,015	
01/Sep/97	-0-	6.500%	1,788	1,788	10,803
01/Mar/98	8,000	6.500%	1,788	9,788	
01/Sep/98	-0-	6.500%	1,527	1,527	11,315
01/Mar/99	8,000	6.500%	1,528	9,528	
01/Sep/99	-0-	6.500%	1,267	1,267	10,795
01/Mar/00	9,000	6.500%	1,267	10,267	
01/Sep/00	-0-	6.500%	975	975	11,242
01/Mar/01	9,000	6.500%	975	9,975	
01/Sep/01	-0-	6.500%	683	683	10,658
01/Mar/02	10,000	6.500%	682	10,682	
01/Sep/02	-0-	6.500%	358	358	11,040
01/Mar/03	11,000	6.500%	357	11,357	11,357
<b>Total</b>	<b>\$ 69,000</b>		<b>\$ 21,710</b>	<b>\$ 90,710</b>	<b>\$ 90,710</b>

FIRE PROTECTION DISTRICT NO. 8 OF ACADIA PARISH  
State of Louisiana

NOTES TO THE FINANCIAL STATEMENTS (continued)  
As of December 31, 1995

4. PENSION PLAN  
The fire protection district has no employees therefore they maintain no pension plan.
5. HEALTH CARE AND LIFE INSURANCE BENEFITS  
The fire protection district provides no health care or life insurance benefits for its commissioners or volunteer firemen.
6. OPERATING LEASES  
The fire protection district had no operating lease at December 31, 1995.
7. RELATED PARTY TRANSACTIONS  
The Fire Protection District No. 8 of Acadia Parish, State of Louisiana had no related party transactions during the year of 1995.
8. LITIGATION  
There is no litigation pending against the Fire Protection District No. 8 of Acadia Parish, State of Louisiana at December 31, 1995.
9. SUBSEQUENT EVENTS  
There were no subsequent events involving the Fire Protection District No. 8 of Acadia Parish, State of Louisiana that came to our attention as of the report date.
10. MANAGEMENT LETTER  
A management letter was not prepared for the Fire Protection District No. 8 of Acadia Parish, State of Louisiana. Accordingly no management letter will accompany this report.

# FREDERICK, NORTON, ROBERT & SCHULTHESS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF THE COMPONENT UNIT  
FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Honorable Board of Commissioners  
Fire Protection District No. 8 of Acadia Parish  
State of Louisiana

We have audited the component unit financial statements of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana for the year ended December 31, 1995, and have issued our report thereon dated June 12, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and Standards for Audits of Governmental Organizations, Programs, Activities, and Functions, promulgated by the United States General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatements.

In planning and performing our audit of the component unit financial statements of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana for the year ended December 31, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control structure.

The management of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objective of an internal control structure is to provide management with a reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of the inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Cash, Accounts Receivable, Revenues, and Expenditures.

For all the control categories listed above, we obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

We find that the limited number of personnel involved in the accounting system limits the segregation of duties consistent with appropriate control objectives creating a reportable condition. Due to the limited number of people it is impossible to implement the required segregation of duties consistent with appropriate control objectives without hiring additional personnel which becomes cost prohibitive.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the board of commissioners and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



FREDERICK, NORTON, ROBERT & SCHULTNESS  
June 12, 1996

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

To the Honorable Board of Commissioners  
Fire Protection District No. 8 of Acadia Parish  
State of Louisiana

We have audited the financial statements of the Fire Protection District No. 8 of Acadia Parish, State of Louisiana for the year ended December 31, 1995, and have issued our report thereon dated June 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, promulgated by the United States General Accounting Office. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Fire Protection District No. 8 of Acadia Parish, State of Louisiana is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws and regulations. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

The results of our test indicate that, with respect to the items tested, the Fire Protection District No. 8 of Acadia Parish, State of Louisiana complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested nothing came to our attention that caused us to believe that the fire protection district had not complied, in all material aspects, with those provisions.

This report is intended for the information of the board of commissioners and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Frederick, Norton, Robert & Schulthess*

FREDERICK, NORTON, ROBERT & SCHULTHESS  
June 12, 1996