

CADDO PARISH FIRE DISTRICT NO. 8

FINANCIAL STATEMENTS

December 31, 2001

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 Fiscal Control office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/7/02

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SMITH PUGH & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of Cade Parish Fire District No. 8, a component unit of the Cade Parish Commission, as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of Cade 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 auditing standards generally accepted in the United States of America 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 Cade Parish Fire District No. 8, as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2002, on our examination of Cade 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Smith Pugh & Company, LLP

Certified Public Accountants
Shreveport, Louisiana

June 12, 2002

FINANCIAL STATEMENTS

CARROLL PARISH FIRE DISTRICT NO. 9
 Combined Balance Sheet - All Fund Types and Assessment Groups
 December 31, 2003

	Governmental Funds		Assessment Groups		Total (Minimums Only)
	General Fund	Debt Service Fund	Debt Service Fund	General Long-term Debt	
Assets and Other Debits					
Assets:					
Cash and cash equivalents	\$ 50,145	\$ 245,547	\$ -	\$ -	\$ 295,692
Investments	153,206	-	-	-	153,206
Receivables, net	158,741	148,256	-	-	306,997
Other assets	4,539	-	-	-	4,539
Due from other funds	-	1,473	-	-	1,473
Land, buildings, and equipment	-	-	1,461,829	-	1,461,829
Other Debits:					
Amount available in Debt Service Fund	-	-	-	255,547	255,547
Amount to be provided for retirement of general long-term obligations	-	-	-	219,151	219,151
Total Assets and Other Debits	\$ 346,791	\$ 415,346	\$ 1,461,829	\$ 219,098	\$ 2,760,947
Liabilities, Equity, and Other Credits					
Liabilities:					
Payroll obligations and withholdings payable	\$ 647	\$ -	\$ -	\$ -	\$ 647
Due to other funds	1,473	-	-	-	1,473
Deferred revenues	2,814	21,212	-	-	24,026
Bonds payable	-	-	-	519,098	519,098
Total Liabilities	3,934	23,212	-	519,098	531,146
Equity and Other Credits:					
Investment in general fund assets	-	-	1,461,829	-	1,461,829
Fund balances:					
Reserved for debt service	-	-	-	-	-
Unassigned/unassigned	345,857	381,134	-	-	726,991
Total Equity and Other Credits	345,857	381,134	1,461,829	-	2,198,811
Total Liabilities, Equity, and Other Credits	\$ 348,791	\$ 415,346	\$ 1,461,829	\$ 519,098	\$ 2,760,947

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, 2011

	General Fund	Debt Service Fund	Total (Miscellaneous Fund)
Revenues			
All sources less:	\$ 47,180	\$ 143,679	\$ 190,859
Service charges	158,651	-	158,651
Intragovernmental:			
Fire insurance rebate	15,871	-	15,871
State supplemental pay	7,808	-	7,808
Interest income	14,347	5,836	20,183
Miscellaneous	3,124	-	3,124
Total revenues	<u>296,953</u>	<u>149,515</u>	<u>446,468</u>
Expenditures			
Salaries and related benefits	81,898	-	81,898
Legal and accounting	5,419	-	5,419
Insurance	29,287	-	29,287
Repairs and maintenance	34,585	-	34,585
Utilities	17,811	-	17,811
Fuel	2,451	-	2,451
Supplies	18,417	-	18,417
Tax collection fees	13,272	-	13,272
Training	3,411	-	3,411
Uniforms	2,739	-	2,739
Volunteer reimbursements	7,800	-	7,800
Capital outlay	23,423	-	23,423
Debt service:			
Principal retirement	-	110,000	110,000
Interest paid	-	99,348	99,348
Other	2,753	382	3,135
Total expenditures	<u>242,577</u>	<u>149,820</u>	<u>392,397</u>
Excess (Deficiency) of Revenues over Expenditures	(45,624)	(7,305)	(52,929)
Fund Balance at Beginning of Year	<u>348,901</u>	<u>382,454</u>	<u>731,355</u>
Fund Balance at End of Year	<u>\$ 303,277</u>	<u>\$ 375,149</u>	<u>\$ 678,426</u>

See accompanying notes to financial statements

CADDOPARISH FIRE DISTRICT NO. 8

Consolidated Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Cash Basis) and Actual - General Fund
Year Ended December 31, 2003

	Budget (Cash Basis)	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues:			
All other taxes	\$ 97,217	\$ 88,297	\$ (8,920)
Service charges	182,208	181,868	(340)
Intergovernmental			
Fire insurance rebate	15,000	15,870	870
State supplemental pay	-	7,808	7,808
Interest income	3,808	14,247	10,439
Services rendered	3,808	-	(3,808)
Miscellaneous	-	3,024	3,024
Total revenues	<u>292,831</u>	<u>252,898</u>	<u>(39,933)</u>
Expenditures:			
Salaries and related benefits	74,228	81,898	(7,670)
Legal and accounting	9,680	5,418	4,262
Insurance	32,156	29,680	2,476
Repairs and maintenance	47,580	34,580	13,000
Utilities	16,780	17,801	(1,021)
Capital outlay	32,480	25,422	7,058
Fuel	5,080	2,451	2,629
Supplies	13,340	19,417	(6,077)
Tax collection fees	13,890	12,700	1,190
Training	5,080	2,451	2,629
Uniforms	3,580	2,700	880
Vehicles reinforcements	3,880	7,081	(3,201)
Other	5,190	3,758	1,432
Total expenditures	<u>268,817</u>	<u>248,852</u>	<u>(20,065)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (23,960)</u>	<u>4,847</u>	<u>\$ 28,807</u>
Fund Balance at Beginning of Year		<u>368,931</u>	
Fund Balance at End of Year		<u>\$ 373,778</u>	

See accompanying notes to financial statements

CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements
December 31, 2021

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 48:1496. 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.

A. 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 Caddo Parish 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 fund 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, 2009

I. 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 received and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt 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

All revenue 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 these estimates.

CALICO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements
December 31, 2011

1. Summary of Significant Accounting Policies (Continued)

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 cash basis which is not 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 2009 budget was not amended.

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 money 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.) 35:1935 and the District's investment policy. If the original maturities of time deposits 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 Debt

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 collection.

CAHO-PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements
December 31, 2001

1. Summary of Significant Accounting Policies (Continued)

Fixed Assets

Fixed assets are recorded at 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.

Long-term Obligations

Long-term obligations expected 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 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 appropriate for expenditure or legally segregated for a specific future use.

Total Columns on Statements

The total columns on the statements are captioned "Information 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 Investments

At December 31, 2001, the District has cash and investments (book balances) totaling \$66,148 as follows:

Demand deposits	\$ 294,284
Interest-bearing demand deposits	18,088
Interest-bearing time deposits	<u>135,136</u>
Total	<u>\$ 66,148</u>

CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements
December 31, 2003

2. Cash and Cash Equivalents (continued):

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, 2003, the District has \$478,269 in deposits (collected bank balances). These deposits are secured from risk by \$208,000 of federal deposit insurance and \$270,269 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAP Category 3).

Even though the pledged securities are classified uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 38:1229 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, 2003:

Class of Receivable	General		Total
	Fund	Fund	
Ad valorem taxes	\$ 47,669	\$ 148,809	\$ 196,478
Service charges	123,597	-	123,597
	171,266	148,809	320,075
Less allowance for uncollectible	(12,525)	(11,179)	(23,704)
	<u>\$ 158,741</u>	<u>\$ 137,630</u>	<u>\$ 296,371</u>

4. Ad Valorem Taxes and Service Charges:

In an election on October 7, 1998, 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 2003 was twelve (12) mills. On July 17, 1999, the voters approved a ten (10) year fire (15.70 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, 2003, total ad valorem taxes of 15.70 mills were levied on property with assessed valuations totaling \$34,883,990. Total taxes levied at December 31, 2003, for debt retirement and for operation were \$178,608 and \$51,960, respectively.

CARDO PARISH FIRE DISTRICT NO. 1

Notes to Financial Statements
December 31, 2001

4. Ad Valorem Taxes and Service Charges (Continued):

On July 17, 1999, the voters approved a ten (10) year service charge of up to \$90 per residential or commercial structure for fire protection services commencing January 1, 2000, to be levied in lieu of the \$18 parcel fee previously authorized. Total service charges levied at December 31, 2001, were \$160,408.

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

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 \$83,600 to \$193,600 with interest paid semi-annually at rates ranging from 12 3/4% to 6.45%. A summary of change in general long-term obligations is as follows:

Balance, December 31, 2000	\$ 650,000
Debt retired	<u>(118,000)</u>
Balance, December 31, 2001	\$ 532,000

The annual requirements to amortize the general obligation bonds as of December 31, 2001, including interest payments, are as follows:

Year Ending December 31	Principal and Interest Due
2002	143,283
2003	148,915
2004	149,873
2005	<u>150,915</u>
Total	593,128
Less interest	<u>78,128</u>
Outstanding principal	\$ 520,000

CADDO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements
December 31, 2001

6. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Buildings	675,000	-	-	675,000
Vehicles	490,000	-	-	490,000
Equipment and fixtures	218,790	28,922	-	247,712
Total	\$ 1,410,890	\$ 28,922	\$ -	\$ 1,439,812

Included in general fixed assets and not shown in capital outlays for 2001 is a 1995 Jeep Cherokee that was donated to the District on August 1, 2001, with an estimated value of \$4,500 on that date.

7. Pension Plan:**Firefighters' Retirement System of Louisiana**

Plan Description: Substantially all employees of 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 exist as an ordinance before January 1, 1980, accepting their 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 58 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 joint 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 on or after age 59 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 94093, Baton Rouge, Louisiana 70804, or by calling (225) 925-4808.

CADDO PARISH FIRE DISTRICT NO. 9

Notes to Financial Statements
December 31, 2001

E. Pension Plan (Continued):

Funding Policy: Plan members are required by state statute to contribute 8.8 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 9.8 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 11:183, 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, 2001, 2000, and 1999 were \$5,641, \$3,705, and \$3,349, respectively, equal to the required contributions for each year.

F. For-Value Paid to Board Members:

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

G. Commitments and Contingencies:

The District is exposed to various risks of loss related to torts (both as) 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. All benefits have not exceeded insurance coverage in any of the past three years.

H. Related Party Transactions:

Procedures, observations, and inquiries did not disclose any material related party transactions for the years ended December 31, 2001.

I. On-Behalf Payments for Fringe Benefits and Salaries:

GAAP Statement No. 24 requires that on-behalf payments be recognized as both revenue and expenditures by an employer governmental entity. In accordance with this Statement, \$7,800 has been recognized in both intergovernmental revenue - state supplemental pay and public safety expenditures due to on-behalf payments for fringe benefits and salaries.

J. Reconciliation of Differences Between the Budgetary-Based Financial Statements and the GAAP-Based Financial Statements:

As discussed in Note 3, 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 15 is a Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Enveloping Basis Variance with GAAP) for the year ended December 31, 2001. The statement reconciles the differences between the budgetary-based financial statements and the GAAP-based financial statements for the general fund.

CARDO-PARISI FIRE DISTRICT NO. 8

Notes to Financial Statements
December 31, 2021

**Table 1
Budgetary/GAAP Reporting Reconciliation**

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues:					
Ad valorem taxes	\$ 47,580	\$ 2,997	\$ 50,577	\$ 57,277	\$ (6,699)
Service charges	158,651	18,408	177,059	182,308	(5,248)
Intergovernmental:					
Fire insurance rebate	13,871	-	13,871	15,100	1,229
State supplemental pay	3,880	-	3,880	-	3,880
Interest income	14,797	-	14,797	5,000	9,797
Services rendered	-	-	-	5,000	(5,000)
Miscellaneous	3,124	-	3,124	-	3,124
Total revenues	<u>228,803</u>	<u>13,485</u>	<u>242,288</u>	<u>242,675</u>	<u>(4,387)</u>
Expenditures:					
Salaries and related benefits	81,098	-	81,098	94,128	(13,030)
Legal and accounting	5,459	-	5,459	9,048	(3,589)
Insurance	26,287	405	26,692	32,156	(5,464)
Repairs and maintenance	34,585	-	34,585	47,508	(12,923)
Utilities	17,811	-	17,811	18,798	(9,987)
Capital outlay	25,423	-	25,423	32,480	(7,057)
Fuel	2,451	-	2,451	5,000	(2,549)
Supplies	19,417	-	19,417	15,580	(3,837)
Tax collection fees	12,272	-	12,272	13,893	(1,621)
Training	2,411	-	2,411	5,000	(2,589)
Utilities	2,730	-	2,730	3,580	(850)
Volunteer reimbursements	7,881	-	7,881	3,080	(4,801)
Other	7,755	-	7,755	5,180	(2,575)
Total expenditures	<u>247,572</u>	<u>415</u>	<u>248,087</u>	<u>266,037</u>	<u>(17,950)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(18,769)</u>	<u>\$ (7,831)</u>	<u>\$ (4,797)</u>	<u>\$ (23,362)</u>	<u>\$ (28,262)</u>
Fund Balances, Beginning	<u>585,831</u>				
Fund Balances, Ending	<u>\$ 567,062</u>				

COMMON REPORT



SMITH PUGH & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**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, 2002, and have issued our report thereon dated June 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 00-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caddo Parish Fire District No. 8'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. However, we noted other matters involving the internal control over financial reporting that we have reported in management's report of Caddo Parish Fire District No. 8, Caddo Parish, Louisiana, in a separate letter dated June 12, 2003.

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.

Smith, Bugh & Company, LLP

Certified Public Accountants
Shreveport, Louisiana

June 12, 2002

SUMMARY OF AUDIT FINDINGS

CARDO PARISH FIRE DISTRICT NO. 8

Summary of Audit Findings

December 31, 2001

Schedule of Findings

- 81-1: Laws receive abatement for 2000.** We noted that a disbursement in the amount of \$990 on April 18, 2001, to an employee's spouse for back pay for laws mowing services. The Board authorized and approved this expenditure during their April 2000 meeting. During this meeting, the legality of this expenditure was questioned. The District's attorney advised the District to wait until he could research the matter. The District made the expenditure. We recommend that the District contact their attorney and/or ethics board to determine if this payment is in violation of any laws and take action as directed by legal counsel.

Corrective Action Plan

- 81-1:** The District is in the process of contacting their attorney on this issue. The written opinion of April 2001 further states "we have paid him \$0,200 for the use of his names. Had alone he was paid nothing for three years, I propose we pay them \$900 that would be my motion." The estimate also says "I would like to make a motion that we do this one time payment to reimburse the \$900 for a mowing lawnmower and all their personal tools at this station be removed."

Schedule of Prior Findings

- 80-1 - Related party transactions.** The District paid an employee and an immediate family member of an employee \$300 per year for mowing grass, using their personal lawnmowers, at two fire stations.

Corrective Action Taken

- 80-1 -** The District purchased a lawnmower in April 2001. The employees of the District will not be grass as part of their regular duties.



SMITH PUGH & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RECEIVED
GENERAL INVESTIGATIVE DIVISION
MAY 20 2002 31 PM 12:31

June 12, 2002

The Members of the Board of Commissioners
Caddo Parish Fire District No. 5
Caddo Parish, Louisiana

As part of obtaining reasonable assurance about whether the Caddo Parish Fire District No. 5'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. We also considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting.

However, during our audit, we noted certain material instances of non-compliance and became aware of matters that are opportunities for strengthening internal controls and improving operating efficiency. This letter does not affect our report dated June 12, 2002, on the general purpose financial statements of the Caddo Parish Fire District No. 5.

Controls Over Fixed Assets

During our audit, we noted that the District does not have a current complete list of fixed assets and movable property. The fixed asset list should include the following information: (1) serial number or other identification number; (2) the nature of the asset; (3) location of the asset; (4) the use and condition of the property; and (5) all asset disposition data including the purpose of the disposition, date of disposal, sale price, and the receipt of issue. We recommended that the District complete their fixed asset listing and physically inventory all assets at least annually.

Segregation of Duties

The District has only one bookkeeper who is involved in the recording, processing, summarizing, and reporting of District financial data. An adequate system of internal controls requires an appropriate segregation of duties consistent with control objectives. A lack of segregation of duties could adversely affect the entity's ability to record, process, maintain, and report financial data consistent with management's objectives.

Although the limited size of the District precludes an adequate segregation of duties, we recommended that all monthly bank statements be received, reviewed by a designated board member for his/her detailed review before the bookkeeper reconciles the account.

Controls Over Disbursements

During our testing of a random sample of expenditures and related party expenditures, the following exceptions were noted:

1. Two invoices were not properly marked as paid.
2. Two checks had dates that did not agree to general ledger.
3. One check number, check amount, and payee do not match general ledger check listing.
4. Two checks had the payee and either had signature or the same person.

- b. The date marked as paid on an invoice did not agree to the date of the check or general ledger.
- c. One invoice was found of the random sample disbursement test.
- f. Three invoices not found of the related party disbursement test.

We recommend that the District carefully retain invoices or other supporting documentation for all expenditures, note approval for payments upon the invoice, and mark all invoices when paid. The bookkeeper should carefully agree all items in the general ledger. Checks should not be authorized by and made payable to the same individual.

General Obligation Bonds

It appears that the District will have collected no taxes or funds from ad valorem taxes by the time the bonds mature in 2024. The District should consult with their attorney to determine if the District is currently in compliance with their Bond Resolution and ad valorem tax provisions for the retirement of general obligation bonds and legal requirements for the proper disposition of the excess funds. The District may need to reduce or cease the millage of the appropriate limit.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District officials, and we will be pleased to discuss them in further detail at your convenience.

Sincerely,

Smith Pugh & Company, LLP
Smith Pugh & Company, LLP

CADDO PARISH FIRE DISTRICT #8
1007-A SOUTH SPRUCE
VIVIAN, LA 71082

02/27/01 - 1 11:00:30

CORRECTIVE ACTION PLAN (MANAGEMENT LETTER)

July 9, 2002

Mr. Donald G. Kyle, CPA, CFE
Legislative Auditor, State of Louisiana
P. O. Box 9087
Baton Rouge, LA 70804-0887

Dear Mr. Kyle:

The Caddo Parish Fire District No. 8, Caddo Parish, Louisiana, respectfully submits the following corrective action plan for the year ended December 31, 2001, for the management letter:

CONTROLS OVER FIXED ASSETS

Recommendation: The District should complete their fixed asset listing and physically inventory all items at least annually.

Action Taken: The District is currently working on updating their fixed asset listing and will physically inventory all items at least annually.

SUBORDINATION OF LIABILITIES

Recommendation: The District should have all monthly bank statements reviewed, compared by a designated board member for further detailed review before the bookkeeper reconciles the account.

Action Taken: The District will have a designated board member review the monthly bank statements before they are opened for further detailed review and then give the statements to the bookkeeper to reconcile the account.

CONTROLS OVER EXPENDITURES

Recommendation: The District should carefully retain invoices or other supporting documentation for all expenditures, note approved for payment upon the invoice, and mark all invoices when paid.

Action Taken: The District will be more careful in retaining invoices or other supporting documentation for all expenditures, note approved for payment upon the invoice, and mark all invoices when paid for all future expenditures.

GENERAL ORLANTINE BONES

Recommendation: The District should consult with their attorney to determine if they are in compliance with their Bond Resolution and all relevant tax provisions for the retirement of general obligation bonds and legal requirements for the proper disposition of the excess funds.

Action Taken: The District will consult with their attorney concerning compliance with their Bond Resolution and all relevant tax provisions for the retirement of general obligation bonds and legal requirements for the proper disposition of the excess funds.

Sincerely,



Chairman, Board of Commissioners
Caddo Parish Fire District No. 4
Caddo Parish, Louisiana

JUL 11 2003
JUL 10 2003

CAJDO PARISH FIRE DISTRICT #8
1007-A SOUTH SPRUCE
VIVIAN, LA 71082

CORRECTIVE ACTION PLAN (MANAGEMENT LETTER)

July 9, 2003

Mr. Donald G. Kyle, CPA, CFE
Legislative Auditor, State of Louisiana
P. O. Box 90897
Baton Rouge, LA 70804-0897

Dear Mr. Kyle:

The Caddo Parish Fire District No. 8, Caddo Parish, Louisiana, respectfully submits the following corrective action plan for the year ended December 31, 2002, for the management letter.

CONTROLS OVER FIXED ASSETS

Recommendation: The District should complete their fixed assets listing and physically inventory all items at least annually.

Action Taken: The District is currently working on updating their fixed asset listing and will physically inventory all items at least annually.

DISBURSATION OF RECEIPTS

Recommendation: The District should have all monthly bank statements received inspected by a designated board member for further detailed review before the bookkeeper reconciles the account.

Action Taken: The District will have a designated board member review the monthly bank statements before they are signed for further detailed review and then give the statements to the bookkeeper to reconcile the accounts.

CONTROLS OVER DISBURSEMENTS

Recommendation: The District should carefully review invoices or other supporting documentation for all expenditures, note approved for payment upon the invoice, and mark all invoices when paid.

Action Taken: The District will be more careful in reviewing invoices or other supporting documentation for all expenditures, note approved for payment upon the invoice, and mark all invoices when paid for all future expenditures.

GENERAL OBLIGATION BONDS

Recommendation: The District should consult with their attorney to determine if they are in compliance with their Bond Resolution and all relevant tax provisions for the retirement of general obligation bonds and legal requirements for the proper disposition of the excess funds.

Action Taken: The District will consult with their attorney concerning compliance with their Bond Resolution and all relevant tax provisions for the retirement of general obligation bonds and legal requirements for the proper disposition of the excess funds.

Sincerely,



Chairman, Board of Commissioners
Caddo Parish (P.O. Box 64 No. 2)
Caddo Parish, Louisiana