

9568

OFFICIAL  
FILE COPY

DO NOT SEND OUT

When necessary  
tear from this  
copy and PLACE  
BACK IN FILE

CADDO PARISH FIRE DISTRICT NUMBER EIGHT

RECEIVED

JUN 29 1986

LEGISLATIVE AUDITOR

FINANCIAL STATEMENTS

December 31, 1987 and 1986

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 JUL 01 1986

## Caddo Parish Fire District Number Eight

Table of Contents  
December 31, 1997 and 1996

	Page
Independent Auditor's Report .....	i
Combined Balance Sheet - All Fund Types and Account Groups .....	3-9
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types .....	4-5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund .....	6-7
Notes to Financial Statements .....	8-15
<b>Other Reports</b>	
Independent Auditor's Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	14-15
Independent Auditor's Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	18

## INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Commissioners  
Caldic Parish Fire District Number Eight  
Caldic Parish, Louisiana

We have audited the accompanying general purpose financial statements of Caldic Parish Fire District Number Eight, a component unit of the Caldic Parish Commission, as of and for the years ended December 31, 1997 and 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Caldic Parish Fire District Number Eight'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 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 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 Caldic Parish Fire District Number Eight, as of December 31, 1997 and 1996, 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 a report dated June 18, 1998 on our consideration of Caldic Parish Fire District Number Eight's internal control structure and a report dated June 18, 1998 on its compliance with laws and regulations.

  
Certified Public Accountants

June 18, 1998

**Caddis Parish Fire District Number Eight**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
 December 31, 2007

	Governmental		Proprietary		Totals	
	General Fund Types	Debt Service	General Fund Account Groups	Long-term Debt	December 31, December 31, 2007	(Manufacturing Debt)
<b>Assets</b>						
Cash	\$ 14,008	\$ 70,241	\$	\$	\$ 214,782	\$ 469,477
Investments	188,175				188,175	300,280
Accounts receivable:						
Payroll	131,008				131,008	149,471
All other items		281,229			281,229	248,794
Less allowance for uncollectible assets		(71,679)			(71,679)	(80,287)
Prepaid insurance	3,454				3,454	566
Due from other funds		60,841	1,597,068		66,441	11,476
Fund assets					1,597,068	1,293,176
Amount to be provided for retirement of general long-term debt						
<b>Total Assets</b>	<b>\$ 327,219</b>	<b>\$ 1,145,516</b>	<b>\$ 1,597,068</b>	<b>\$ 510,280</b>	<b>\$ 3,100,403</b>	<b>\$ 3,273,298</b>
<b>Liabilities and Fund Balances</b>						
Liabilities						
Payroll withholdings	\$ 1,617	\$	\$	\$ 1,617	\$ 581	\$ 1,617
Due to other funds	68,641			68,641	68,641	81,679
General obligations bonds payable				910,280	910,280	910,280
<b>Total Liabilities</b>	<b>\$ 70,258</b>	<b>\$</b>	<b>\$</b>	<b>\$ 970,538</b>	<b>\$ 979,502</b>	<b>\$ 1,003,576</b>
Fund Balances						
Investment in general fund assets			1,597,068		1,597,068	1,599,158
Fund balances:						
Reserved for debt service	3,294	518,816			306,018	378,791
Reserved for prepaid insurance	307,251				3,174	508
Unassigned/undesignated					284,825	300,805
<b>Total Fund Balances</b>	<b>\$ 310,545</b>	<b>\$ 518,816</b>	<b>\$ 1,597,068</b>	<b>\$</b>	<b>\$ 594,017</b>	<b>\$ 679,104</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 371,243</b>	<b>\$ 518,816</b>	<b>\$ 1,597,068</b>	<b>\$ 970,538</b>	<b>\$ 3,094,420</b>	<b>\$ 3,273,298</b>

**Caldwell Parish Fire District Number Eight**

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1998

	Governmental Fund Types		Annual Group		Totals	
	General	Debit Service	General Fund	Living Loan Debt	December 31, 1998	December 31, 1998
<b>Assets</b>						
Cash	\$ 72,144	\$ 94,583	\$ -	\$ -	\$ 166,727	\$ 158,212
Investments	100,189				300,000	198,028
Accounts receivable:						
Payroll	179,371				179,371	170,400
Ad valorem taxes		238,764			238,764	227,164
Loan allowance for uncollectible taxes		(60,243)			(60,243)	(62,462)
Prepaid insurance	606				606	14,219
Due from other funds		11,875	1,399,136		11,875	5,874
Fixed assets					1,399,136	1,388,326
Amount to be provided for retirement of general long-term debt					599,000	1,053,000
<b>Total assets</b>	<u>\$ 381,325</u>	<u>\$ 329,125</u>	<u>\$ 1,399,136</u>	<u>\$ 995,200</u>	<u>\$ 2,215,282</u>	<u>\$ 2,276,132</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Payroll withholdings	\$ 881	\$ -	\$ -	\$ -	\$ 881	\$ -
Due to other funds	11,875				11,875	5,874
General obligation bonds payable					999,000	1,060,000
<b>Total Liabilities</b>	<u>\$ 12,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,011,756</u>	<u>\$ 1,070,874</u>
<b>Fund Balances</b>			1,399,136		1,399,136	1,985,258
Investments in general fund assets						
Fund balances:						
Reserved for debt service		274,791			179,761	248,152
Reserved for prepaid insurance	996				996	14,219
Unreserved/unobligated	300,000				300,000	274,428
<b>Total Fund Balances</b>	<u>\$ 300,996</u>	<u>\$ 274,791</u>	<u>\$ 1,399,136</u>	<u>\$ -</u>	<u>\$ 1,975,757</u>	<u>\$ 2,023,132</u>
<b>Total Liabilities and Equity</b>	<u>\$ 313,527</u>	<u>\$ 274,791</u>	<u>\$ 1,399,136</u>	<u>\$ 995,200</u>	<u>\$ 2,215,282</u>	<u>\$ 2,296,006</u>

### Caddo Parish Fire District Number Eight

#### Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Type Year Ended December 31, 1997

	General	Debt Service	Totals	
			1997	
			1997	1996
<b>Revenues:</b>				
Taxes	\$	\$ 285,000	\$ 289,800	\$ 281,900
Fareed fees	211,800		131,800	133,000
Intergovernmental	14,174		14,174	14,199
Interest	5,700	1,800	6,500	7,700
Miscellaneous	1,137		1,137	88
Total revenues	<u>153,031</u>	<u>218,800</u>	<u>394,031</u>	<u>327,087</u>
<b>Expenditures:</b>				
Current:				
General government	18,405	20,800	44,200	40,500
Public safety	123,080		125,880	117,447
Capital Outlay	4,833		4,833	3,800
Debt Service:				
Principal retirement		60,000	60,000	75,000
Interest and bond charges		61,132	65,112	78,338
Total expenditures	<u>146,318</u>	<u>141,932</u>	<u>307,433</u>	<u>303,458</u>
Excess of revenues over expenditures	6,713	76,868	86,598	61,376
Fund Balance at Beginning of Year	<u>308,515</u>	<u>278,781</u>	<u>578,296</u>	<u>506,128</u>
Fund Balance at End of Year	<u>\$ 303,490</u>	<u>\$ 218,816</u>	<u>\$ 526,503</u>	<u>\$ 475,200</u>

**Caddo Parish Fire District Number Eight**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Fund Type  
Year Ended December 31, 1996**

	General	Debt Service	Totals (Administration Only)	
			1996	1995
<b>Revenues:</b>				
Taxes	\$	\$ 281,968	\$ 301,960	\$ 285,700
Permit fees	118,800		153,800	135,440
Intergovernmental	14,385		14,385	15,683
Interest	6,715	1,458	7,703	6,073
Miscellaneous	50		50	1,228
<b>Total revenues</b>	<u>211,650</u>	<u>283,426</u>	<u>317,898</u>	<u>299,334</u>
<b>Expenditures:</b>				
Current:				
General government	22,139	24,341	46,480	40,502
Public safety	137,442		137,442	138,712
Capital Outlay	3,098		3,098	13,386
Debt Service:				
Principal retirement		75,000	75,000	76,000
Interest and fiscal charges		70,195	70,195	74,825
<b>Total expenditures</b>	<u>162,679</u>	<u>269,536</u>	<u>303,450</u>	<u>319,725</u>
Excess of revenues over expenditures	18,117	31,429	40,376	28,799
Fund Balances at Beginning of Year	228,792	245,332	236,422	202,213
<b>Fund Balances at End of Year</b>	<u>\$ 246,914</u>	<u>\$ 276,761</u>	<u>\$ 276,802</u>	<u>\$ 231,012</u>

### Caddo Parish Fire District Number Eight

Combined Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual - General Fund  
Year Ended December 31, 1997

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Fuel fees	\$ 173,000	\$ 111,860	\$ (61,140)
Intergovernmental	36,473	14,374	(22,099)
Interest	5,000	5,565	565
Miscellaneous	200	1,212	1,012
<b>Total revenues</b>	<b>214,673</b>	<b>133,011</b>	<b>(81,662)</b>
<b>Expenditures</b>			
Current:			
General government	11,419	18,455	7,036
Public Safety	112,263	173,080	61,817
Capital Outlay	4,850	4,852	(2)
<b>Total expenditures</b>	<b>128,532</b>	<b>196,387</b>	<b>67,855</b>
<b>Excess of revenues over expenditures</b>	5,141	(63,376)	(68,517)
<b>Fund Balance at Beginning of Year</b>	<b>308,514</b>	<b>300,054</b>	<b>(8,460)</b>
<b>Fund Balance at End of Year</b>	<b>\$ 313,655</b>	<b>\$ 236,678</b>	<b>\$ (76,977)</b>

### Caddo Parish Fire District Number Eight

Combined Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual - General Fund  
Year Ended December 31, 1996

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Parcel fees	\$ 153,408	\$ 151,880	\$ (1,528)
Intergovernmental	16,472	14,183	(2,277)
Interest	5,000	6,503	1,513
Miscellaneous	500	88	(412)
<b>Total revenues</b>	<u>175,372</u>	<u>182,654</u>	<u>(7,282)</u>
<b>Expenditures:</b>			
Current:			
General government	25,135	25,119	16
Public Safety	112,868	113,442	(574)
Capital Outlay	4,880	3,550	1,330
<b>Total expenditures</b>	<u>142,883</u>	<u>142,111</u>	<u>772</u>
<b>Excess of revenues over expenditures</b>	32,489	40,543	(8,054)
<b>Fund Balance at Beginning of Year</b>	<u>290,797</u>	<u>290,797</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 323,286</u>	<u>\$ 331,340</u>	<u>\$ 8,054</u>

## Caddo Parish Fire District Number Eight

Notes to Financial Statements  
December 31, 1997 and 1996

The Caddo Parish Fire District Number Eight (the District) was created by the Caddo Parish Commission by ordinance on February 24, 1988, as provided under the Louisiana Revised Statutes 48:1498. The District is comprised of property in Northeast 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.

### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Reporting Entity** - These financial statements include all funds and account groups over which the District exercises control, authority, management, influence or accountability. Control by or influence over the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of the governing body, and general oversight responsibility.

**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 reportable available financial resources. Government resources 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 governmental fund.

**Debt Service Funds** - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Fixed Assets and Long-term Liabilities** - The accounting and reporting treatment applies the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type organizations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund type when purchased. Public domain "infrastructure" general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost, or estimated cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

## Caddo Parish Fire District Number Eight

Notes to Financial Statements  
December 31, 1997 and 1996

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term liabilities reported to be financed from governmental funds are accounted for in the General Long-term Debt account group.

The fire account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

**Basis of Accounting** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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 (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 susceptible 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. The District considers property taxes available if they are collected within 60 days after year end. 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.

**Budgets and Budgetary Accounting** - The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The budget is prepared by the Board of Commissioners.
2. A summary of the proposed budget is published and the public notified that the budget is available for public inspection.
3. All budgetary appropriations lapse at the end of each calendar year.
4. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Commissioners. The 1997 and 1996 budgets were amended in accordance with Louisiana statutes by the Board of Commissioners.

**Compensated Absence** - Compensated absence do not accrue past the calendar year end and are not paid for if not taken. Therefore, no liability for compensated absence exist.

## Caddo Parish Fire District Number Eight

Notes to Financial Statements  
December 31, 1997 and 1996

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Bad Debt** - Uncollectible amounts due for all business loans 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. No provision for general loans receivable has been deemed necessary.

**Total Columns on Combined Statements** - Total columns on the Combined Statements are captioned "Memoranda 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.

### II. CASH AND INVESTMENTS

The cash balances of each fund at December 31, 1997 were comprised of the following:

	Cash and Checking Accounts	Interest- Bearing Accounts	Total
General Fund	\$ 114,522	\$ 21,208	\$ 142,660
Debt Service Fund		70,741	70,741
Total	<u>\$ 114,522</u>	<u>\$ 91,949</u>	<u>\$ 203,780</u>

The cash balances of each fund at December 31, 1996 were comprised of the following:

	Cash and Checking Accounts	Interest- Bearing Accounts	Total
General Fund	\$ 48,520	\$ 24,224	\$ 72,744
Debt Service Fund		96,800	96,800
Total	<u>\$ 48,520</u>	<u>\$ 121,024</u>	<u>\$ 169,544</u>

Under state law, these bank balances must be secured by federal depository insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal depository insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1997 and 1996, all bank deposits were covered by pledged collateral and federal depository insurance.

For the years ended December 31, 1997 and 1996, the district invested only in U.S. obligations. As of December 31, 1997 and 1996, the General Fund had investments consisting of a U.S. Treasury Note with carrying value of \$180,179 (\$99,313 market) and \$168,150 (\$96,150 market), respectively.

## Caddo Parish Fire District Number Eight

Notes to Financial Statements  
December 31, 1997 and 1996

### 1. CASH AND INVESTMENTS (Continued)

The District's investments are categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or by its agent in the District's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the county's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the county's trust department or agent but not in the District's name.

Description	Category			Carrying Amount	Market Value
	1	2	3		
U. S. Treasury Note:					
December 31, 1997	\$ 100,000	\$	\$	\$ 100,175	\$ 98,113
December 31, 1996	\$ 100,000	\$	\$	\$ 100,175	\$ 98,113

### 2. PROPERTY TAXES AND PARCEL FEES:

Property taxes are levied by the District on property values assessed by the State of Louisiana Tax Commission. In an election on October 11, 1989, the voters approved the levy of property taxes. The District levies taxes on real and business personal property within its boundaries. Property taxes appear as an enforceable lien on property as of January 1 of each year. Property taxes are recorded as receivables and revenues in the year assessed to the extent that revenues are collected within 60 days after year-end. For the year ended December 31, 1997 and 1996, taxes of 12 mills were levied on property with assessed valuations totaling \$17,081,476 and \$16,242,760 respectively and were dedicated for the retirement of the general obligation bonds. Total taxes levied at December 31, 1997 and 1996 were \$184,919 and \$204,038.

The voters also approved the levying of a \$28 parcel fee per structure to fund the operations and maintenance of the District. Total parcel fees levied at December 31, 1997 and 1996 were \$151,800 and \$233,080 respectively.

### 3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1995		Balance December 31, 1996		Balance December 31, 1997	
		Additions		Additions		
Land	\$ 23,000	\$	\$ 23,000	\$	\$ 23,000	
Buildings	675,000		675,000		675,000	
Equipment	213,295	3,000	213,295	4,852	221,077	
Vehicles	475,952		475,952		475,952	
Total	\$ 1,387,247	\$ 3,000	\$ 1,387,247	\$ 4,852	\$ 1,397,029	

## Caddo Parish Fire District Number Eight

Notes to Financial Statements  
December 31, 1997 and 1996

### 8. LONG-TERM DEBT:

In an election held on October 11, 1989, the voters authorized the issuance of \$1,025,000 in general obligation bonds for acquiring land, buildings, and equipment to be used in providing fire protection to the District. The bonds were issued on May 15, 1990, and are payable in annual principal installments of \$15,000 to \$145,000 with interest paid semi-annually at rates ranging from 11% to 6.9%.

A summary of change in general long-term obligations is as follows:

Balance, January 1, 1993	\$ 1,025,000
Debt retirements	<u>75,000</u>
Balance, December 31, 1996	950,000
Debt retirements	<u>50,000</u>
Balance, December 31, 1997	<u>\$ 900,000</u>

The annual requirements to amortize the general obligation bonds as of December 31, 1993, including interest payments, are as follows:

Year Ending December 31	Principal and Interest Due
1998	\$ 144,000
1999	145,000
2000	146,500
2001	149,250
2002	146,500
2003-2005	<u>491,250</u>
Total	1,182,120
Less interest	<u>272,120</u>
Outstanding principal	<u>\$ 910,000</u>

### 9. RETIREMENT COMMITMENTS

#### Firefighters' Retirement System of Louisiana

**Plan Description.** Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1989, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

## **Caddo Parish Fire District Number Eight**

### **Notes to Financial Statements**

**December 31, 1997 and 1996**

#### **6. RETIREMENT COMMITMENTS (Continued):**

##### **Firefighters' Retirement System of Louisiana (Continued)**

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 84085, Baton Rouge, Louisiana 70804, or by calling (504) 925-4960.

*Funding Policy.* Plan members are required by state statute to contribute 6.67 percent of their annual covered salary and the Caddo Parish Fire Protection District is required to contribute 4.00 percent of annual covered payroll. The current rate is 8.00 percent of annual covered payroll. The contribution requirements of plan members and the Caddo Parish Fire Protection District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caddo Parish Fire Protection District's contributions to the System for the years ending December 31, 1997 and 1996, were \$4,476 and \$4,373, respectively, equal to the required contributions for each year.

#### **7. FER DEM PAID TO BOARD MEMBERS:**

Caddo Parish Fire District Number Eight has a voluntary board, therefore no per diem amounts were paid during this period.

#### **8. CONTINGENCIES:**

The District is involved in various legal actions arising in the ordinary course of operations. In the opinion of management, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.

#### **9. RELATED PARTY TRANSACTIONS:**

Proceedings, observations, and inquiries did not disclose any material related party transactions for the years ended December 31, 1997 and 1996.



SMITH RUGH RADINOWITZ L L P CERTIFIED PUBLIC ACCOUNTANTS

800 MARSHALL STREET SUITE 800 • WASHINGTON, D. C. 20004 • TELEPHONE 202 552-5700 • FAX 202 552-4738  
801 MARSHALL ROAD SUITE 112 • BOSSIER CITY, LOUISIANA 71111 • TELEPHONE 225 742-4000 • FAX 225 742-0888

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURES BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT ACCOUNTING STANDARDS**

Members of the Board of Commissioners  
Caldle Parish Five District Number Eight

We have audited the general purpose financial statements of Caldle Parish Five District Number Eight, a component unit of the Caldle Parish Commission, as of and for the years ended December 31, 1997 and 1996, and have issued our report thereon dated June 28, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting 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.

The management of Caldle Parish Five District Number Eight is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structures, policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection 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.

In planning and performing the audit of the general purpose financial statements of Caldle Parish Five District Number Eight, for the years ended December 31, 1997 and 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, and applicable Federal, state and parish agencies. However, this report is a matter of public record and its distribution is not limited.

  
Smith Pugh Robinson  
Certified Public Accountant

June 18, 1998



SMITH FLAGG RABINOWITZ L L P CERTIFIED PUBLIC ACCOUNTANTS

1000 WASHINGTON AVENUE SUITE 1100 • NEWTON, MASSACHUSETTS 02459 • TELEPHONE 617-552-8700 • FAX 617-552-8700  
 400 WASHINGTON ROAD SUITE 110 • NEWTON CITY, MASSACHUSETTS 02459 • TELEPHONE 617-552-4999 • FAX 617-552-4999

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN  
 AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS  
 PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board of Commissioners  
 Caddo Parish Fire District Number Eight

We have audited the general purpose financial statements of Caddo Parish Fire District Number Eight, a component unit of the Caddo Parish Commission, as of and for the years ended December 31, 1997 and 1996, and have issued our report thereon dated June 18, 1998.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, and contracts applicable to Caddo Parish Fire District Number Eight is the responsibility of Caddo Parish Fire District Number Eight's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Caddo Parish Fire District Number Eight's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management, and applicable Federal, state and parish agencies. However, this report is a matter of public record and its distribution is not limited.

*Smith Flagg Rabinowitz L.L.P.*  
 Certified Public Accountants

June 18, 1998