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**Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana**

General Purpose Financial Statements

As of December 31, 1999

and for

Each of the Years in the Two Year Period Then Ended

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

Release Date JUL 26 2000

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana

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Independent Auditors' Report

Board of Commissioners
Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana

We have audited the accompanying general purpose financial statements of the Northeast Bossier Parish Fire District No. 5, Plain Dealing, Louisiana, a component unit of the Bossier Parish Police Jury, as of December 31, 1999 and for each of the years in the two year period then ended. These general purpose financial statements are the responsibility of the Northeast Bossier Parish Fire District No. 5's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and 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 general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Northeast Bossier Parish Fire District No. 5, as of December 31, 1999, and the results of its operations for each of the years in the two year period then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2000 on our consideration of Northeast Bossier Parish Fire District No. 5's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



Cook & Morehart
Certified Public Accountants
June 27, 2000

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1999

	General	Debt Service	Capital Projects	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
Assets and Other Debits						
Cash and cash equivalents	\$ 14,091	\$ 139,874	\$ 58,330	\$	\$	\$ 212,295
Receivables - ad valorem taxes	39,814	45,794				85,608
Land				3,700		3,700
Buildings				133,342		133,342
Equipment				625,706		625,706
Amount available in debt service fund					184,303	184,303
Amount to be provided for retirement of general long-term debt					80,697	80,697
Total assets and other debits	\$ 53,905	\$ 185,668	\$ 58,330	\$ 762,748	\$ 265,000	\$ 1,325,651
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 3,968	\$ 1,365	\$	\$	\$	\$ 5,333
General obligation bonds payable					265,000	265,000
Total liabilities	3,968	1,365			265,000	270,333
Fund equity:						
Investment in general fixed assets				762,748		762,748
Fund balances -						
Reserved for debt service		184,303				184,303
Unreserved, undesignated	49,937		58,330			108,267
Total fund equity	49,937	184,303	58,330	762,748		1,055,318
Total liabilities and fund equity	\$ 53,905	\$ 185,668	\$ 58,330	\$ 762,748	\$ 265,000	\$ 1,325,651

The accompanying notes are an integral part of this statement.

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 1998

	General	Debt Service	Capital Projects	Total (Memorandum Only)
Revenues				
Ad valorem taxes	\$ 35,573	\$ 38,936	\$	\$ 74,509
Intergovernmental - fire insurance rebate	3,624			3,624
Other	3,426		10	3,436
Interest income	734	5,113	2,522	8,369
Total revenues	43,357	44,049	2,532	89,938
Expenditures				
Current:				
General government	1,011	1,163		2,174
Public safety	23,375			23,375
Capital outlay	15,221		14,912	30,133
Debt service:				
Principal retirement		20,000		20,000
Interest and fiscal charges		17,764		17,764
Total expenditures	39,607	38,927	14,912	93,446
Excess of revenues over (under) expenditures	3,750	5,122	(12,380)	(3,508)
Other financing sources (uses)				
Operating transfers in			20,000	20,000
Operating transfers out	(20,000)			(20,000)
Total other financing sources (uses)	(20,000)		20,000	
Excess of revenues and other sources over (under) expenditures and other uses	(16,250)	5,122	7,620	(3,508)
Fund balances at beginning of year	66,496	169,617	54,168	290,281
Fund balances at end of year	\$ 50,246	\$ 174,739	\$ 61,788	\$ 286,773

The accompanying notes are an integral part of this statement.

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 1999

	General	Debt Service	Capital Projects	Total (Memorandum Only)
Revenues				
Ad valorem taxes	\$ 38,367	\$ 44,456	\$	\$ 82,823
Intergovernmental - fire insurance rebate	3,861			3,861
Other	3,503	15	7	3,525
Interest income	227	7,224	2,412	9,863
Total revenues	45,958	51,695	2,419	100,072
Expenditures				
Current:				
General government	1,187	1,365		2,552
Public safety	45,080		3,577	48,657
Debt service:				
Principal retirement		25,000		25,000
Interest and fiscal charges		18,066		18,066
Total expenditures	46,267	44,431	3,577	94,275
Excess of revenues over (under) expenditures	(309)	7,264	(1,158)	5,797
Other financing sources (uses):				
Operating transfers in		2,300		2,300
Operating transfers out			(2,300)	(2,300)
Total other financing sources (uses)		2,300	(2,300)	
Excess (deficiency) of revenues and other over expenditures and other uses	(309)	9,564	(3,458)	5,797
Fund balances at beginning of year	50,246	174,739	61,788	286,773
Fund balances at end of year	\$ 49,937	\$ 184,303	\$ 58,330	\$ 292,570

The accompanying notes are an integral part of this statement.

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Cash Basis) and Actual - All Governmental Fund Types
For the Year Ended December 31, 1998

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Ad valorem taxes	\$ 47,696	\$ 49,225	\$ 1,529
Intergovernmental - fire insurance rebate	3,624	3,624	
Other	3,360	3,426	66
Interest income	700	734	34
Total revenues	<u>55,380</u>	<u>57,009</u>	<u>1,629</u>
Expenditures:			
General government		1,011	(1,011)
Public safety	37,880	39,578	(1,698)
Capital outlay	20,500	15,221	5,279
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>58,380</u>	<u>55,810</u>	<u>2,570</u>
Excess of revenues over (under) expenditures	<u>(3,000)</u>	<u>1,199</u>	<u>4,199</u>
Other financing sources (uses)			
Operating transfer in			
Operating transfers out		(20,000)	(20,000)
Total other financing sources (uses)		<u>(20,000)</u>	<u>(20,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(3,000)</u>	<u>(18,801)</u>	<u>(15,801)</u>
Fund balances - January 1, 1998	<u>3,000</u>	<u>36,012</u>	<u>33,012</u>
Fund balances - December 31, 1998	<u>\$</u>	<u>\$ 17,211</u>	<u>\$ 17,211</u>

The accompanying notes are an integral part of this statement.

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Cash Basis) and Actual - All Governmental Fund Types
For the Year Ended December 31, 1999

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Ad valorem taxes	\$ 35,500	\$ 32,599	\$ (2,901)
Intergovernmental - fire insurance rebate	3,050	3,861	811
Other		3,503	3,503
Interest income	700	227	(473)
Total revenues	39,250	40,190	940
Expenditures:			
General government		1,011	(1,011)
Public safety	36,350	42,299	(5,949)
Capital outlay	10,900		10,900
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total expenditures	47,250	43,310	3,940
Excess of revenues over (under) expenditures	(8,000)	(3,120)	4,880
Fund balances - January 1, 1999	8,000	17,211	9,211
Fund balances - December 31, 1999	\$	\$ 14,091	\$ 14,091

The accompanying notes are an integral part of this statement.

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 1999

(1) Summary of Significant Accounting Policies

The Northeast Bossier Parish Fire District No. 5 was created by the Bossier Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on November 10, 1987 by ordinance number 2096. The district is governed by a five member board of commissioners appointed by the Bossier Parish Police Jury, the Town of Plain Dealing, and by the commissioners themselves. The Board of Commissioners received no compensation during 1998 and 1999. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

A. Basis of Presentation

The accompanying general purpose financial statements of the Northeast Bossier Parish Fire District No. 5 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.

B. Reporting Entity

The district is a component unit of the Bossier Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the district because it appoints or ratifies 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 police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. 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 related 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 (general fixed assets and general long-term obligations) that are not recorded in the funds because they do not directly affect net expendable available financial resources.

(Continued)

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 1999
(Continued)

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the 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 and account groups used by the district include:

1. **General Fund** – This fund is the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds. Primary funding is provided by an ad valorem tax approved by voters of the district, state fire insurance rebates, and interest earnings on investments.
2. **Debt Service Fund** – This fund accounts for transactions relating to resources retained and used for the payment of principal, interest, and other related costs on those long-term obligations recorded in the general long-term debt account group. Funding is provided by an ad valorem tax and interest earnings on investments.
3. **Capital Projects Funds** – This fund accounts for financial resources received and used for the *acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.*
4. **General Fixed Assets Account Group** – This account group is used to account for fixed assets used in governmental fund type operations for control purposes.
5. **General Long-Term Debt Account Group** – This account group is used to account for long-term liabilities to be financed from government funds.

D. **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 district uses the following practices in recording revenues and expenditures:

(Continued)

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Notes to Financial Statements
December 31, 1999
(Continued)

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January and February of the current year.

Other intergovernmental revenues are recorded when the district is entitled to the funds. Interest income on demand and time deposits are recorded when the interest has been earned and the amount is determinable.

Expenditures

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

E. Budgets

The district prepares a budget for the General Fund and uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the board of commissioners prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by the board of commissioners by voting at a meeting.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board.
5. The budget is adopted on a cash basis. The original budget for 1998 was amended one time. The original budget for 1999 was amended two times. Those amendments are reflected in the budgetary comparisons included in the accompanying financial statements.

(Continued)

Northeast Bossier Parish Fire District No. 5
 Plain Dealing, Louisiana
 Notes to Financial Statements
 December 31, 1999
 (Continued)

Budget comparison statements included in the accompanying financial statements include the original and adopted budgets and all subsequent amendments. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on page 5 and 6 (budget basis) with the amounts shown on page 3 and 4 (GAAP basis):

	<u>1998</u>	<u>1999</u>
	<u>General Fund</u>	<u>General Fund</u>
Excess of revenues and other sources over (under) expenditures and other uses (budget basis)	\$ (18,801)	\$ (3,120)
Adjustments:		
Revenue accruals -- net	(13,651)	5,768
Expenditure accruals -- net	<u>16,202</u>	<u>(2,957)</u>
Excess of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ (16,250)</u>	<u>\$ (309)</u>

F. *Encumbrances*

Encumbrance accounting is employed as an extension of the formal budgetary process. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Any encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. There were no encumbrances outstanding at December 31, 1999.

(Continued)

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Notes to Financial Statements
(Continued)
December 31, 1999

G. Cash and Cash Equivalents

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

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (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 historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value at date of donation.

I. 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 obligations are recognized in the governmental funds when due.

J. Total Columns on Combined Statements

Total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in those columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(Continued)

Northeast Bossier Parish Fire District No. 5
 Plain Dealing, Louisiana
 Notes to Financial Statements
 (Continued)
 December 31, 1999

K. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(2) Levied Taxes

The following is a summary of authorized and levied ad valorem taxes for 1998 and 1999:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Operating	10.00	10.00	2000
Debt Service	variable	11.50	2008

(3) Cash and Cash Equivalents

At December 31, 1999, the district has cash and cash equivalents (book balances) consisting of interest-bearing demand deposits totaling \$212,295.

The deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1999, the district had \$213,123 that were secured from risk by \$173,250 of federal deposit insurance and \$39,873 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

(Continued)

Northeast Bossier Parish Fire District No. 5
 Plain Dealing, Louisiana
 Notes to Financial Statements
 (Continued)
 December 31, 1999

(4) Changes in Fixed Assets

A summary of changes in general fixed assets for 1998 follows:

	Balance 12-31-97	Additions	Retirements	Balance 12-31-98
Land	\$ 3,700	\$ -	\$ -	\$ 3,700
Buildings	120,000	13,342	-	133,342
Equipment	339,757	16,791	(22,953)	333,595
Total general fixed assets	<u>\$ 463,457</u>	<u>\$ 30,133</u>	<u>\$ (22,953)</u>	<u>\$ 470,637</u>

A summary of changes in general fixed assets for 1999 follows:

	Balance 12-31-98	Additions	Retirements	Balance 12-31-99
Land	\$ 3,700	\$ -	\$ -	\$ 3,700
Buildings	133,342	-	-	133,342
Equipment	333,595	292,111	-	625,706
Total general fixed assets	<u>\$ 470,637</u>	<u>\$ 292,111</u>	<u>\$ -</u>	<u>\$ 762,748</u>

Included in fixed assets additions are \$292,111 of fire trucks purchased through the LCDBG program of the Bossier Parish Police Jury on behalf of the District.

(5) Risk Management

The District purchases commercial insurance to provide worker's compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

(Continued)

Northeast Bossier Parish Fire District No. 5
 Plain Dealing, Louisiana
 Notes to Financial Statements
 (Continued)
 December 31, 1999

(6) Changes in General Long-Term Debt

The following is a summary of general obligation bond transactions of the Northeast Bossier Parish Fire District No. 5 for the years ended December 31, 1998 and 1999:

	<u>Balance</u> <u>12-31-97</u>	<u>1998</u> <u>Payments</u>	<u>Balance</u> <u>12-31-98</u>	<u>1999</u> <u>Payments</u>	<u>Balance</u> <u>12-31-99</u>
General Obligation Bonds	\$ 310,000	\$ 20,000	\$ 290,000	\$ 25,000	\$ 265,000

Bonds payable at December 31, 1999 are comprised of the following individual issues:

General obligation bonds -

\$400,000 - 1992 bonds for acquisition of buildings, machinery, and equipment due in annual installments of \$15,000 to \$40,000 through March 1, 2007; interest rates of 6.30 to 9.25 cent. The debt redemption is paid from the Debt Service Fund. At December 31, 1999 the amount of funds available to service the General Obligation bonds is \$184,303

\$ 265,000

The annual requirements to amortize all debt outstanding as of December 31, 1999, including interest payments of \$71,714 for the General Obligations Bonds are as follows:

<u>Year Ending</u> <u>December 31</u>	
2000	\$ 40,599
2001	43,995
2002	42,210
2003	40,380
2004	43,347
2005 - 2007	126,183
	<u>\$ 336,714</u>

COOK & MOREHART

Certified Public Accountants

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Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards*

Board of Commissioners
Northeast Bossier Parish Fire District No. 5

We have audited the financial statements of Northeast Bossier Parish Fire District No. 5 as of and for the year ended December 31, 1999, and have issued our report thereon dated June 27, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Northeast Bossier Parish Fire District No. 5's 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Northeast Bossier Parish Fire District No. 5's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
June 27, 2000

Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana
Summary Schedule of Audit Findings
December 31, 1999

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior audit for the period ended December 31, 1997.

Corrective Action Plan for Current Year Audit Findings

There are no findings or management letter comments for the current audit for the period ended December 31, 1999.