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**Caddo Parish Fire District Number Three  
General Purpose Financial Statements  
As of and for the Year Ended December 31, 1999**

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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 Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date     JUN 19 2000

Caddo Parish Fire District Number Three  
Greenwood, Louisiana

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## Independent Auditors' Report

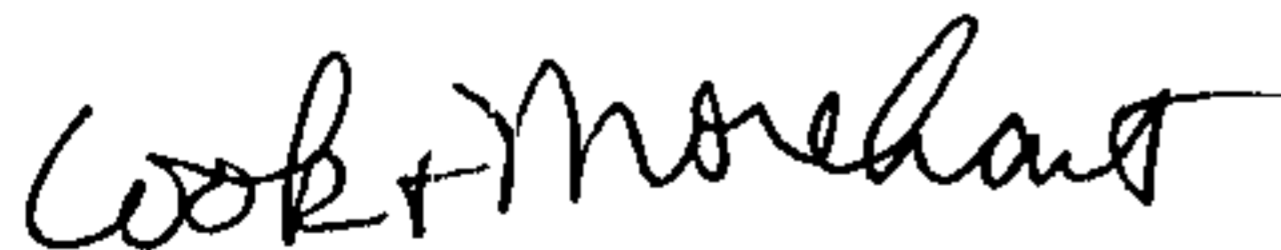
*Board of Commissioners*  
Caddo Parish Fire District Number Three

We have audited the accompanying general purpose financial statements of the Caddo Parish Fire District Number Three (the District), a component unit of the Caddo Parish Commission, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Caddo Parish Fire District Number Three'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 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 the Caddo Parish Fire District Number Three, as of December 31, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2000 on our consideration of Caddo Parish Fire District Number Three'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 8, 2000

Caddo Parish Fire District Number Three  
 Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 1999

|   | Governmental Fund Types |                   | Account Groups             |                              | Total<br>(Memorandum<br>Only) |
|---|-------------------------|-------------------|----------------------------|------------------------------|-------------------------------|
|   | General                 | Debt<br>Service   | General<br>Fixed<br>Assets | General<br>Long-Term<br>Debt |                               |
| <b>Assets and Other Debits</b>                                    |                         |                   |                            |                              |                               |
| Cash  | \$ 232,864              | \$                | \$                         | \$                           | \$ 232,864                    |
| Receivables:  |                         |                   |                            |                              |                               |
| Ad valorem taxes  | 483,530                 | 57,212            |                            |                              | 540,742                       |
| Service charges   | 153,504                 |                   |                            |                              | 153,504                       |
| State revenue sharing   | 5,800                   |                   |                            |                              | 5,800                         |
| Other   | 56                      |                   |                            |                              | 56                            |
| Due from other fund   |                         | 51,067            |                            |                              | 51,067                        |
| Land, buildings and equipment                                     |                         |                   | 2,023,057                  |                              | 2,023,057                     |
| Amount available in debt<br>service funds                         |                         |                   |                            | 108,279                      | 108,279                       |
| Amount to be provided for retirement<br>of general long-term debt |                         |                   |                            | 196,721                      | 196,721                       |
| <b>Total assets</b>   | <b>\$ 875,754</b>       | <b>\$ 108,279</b> | <b>\$ 2,023,057</b>        | <b>\$ 305,000</b>            | <b>\$ 3,312,090</b>           |
| <b>Liabilities and Fund Equity</b>                                |                         |                   |                            |                              |                               |
| Liabilities:  |                         |                   |                            |                              |                               |
| Accounts payable  | \$ 9,921                | \$                | \$                         | \$                           | \$ 9,921                      |
| Due to other fund   | 51,067                  |                   |                            |                              | 51,067                        |
| Bonds payable   |                         |                   |                            | 105,000                      | 105,000                       |
| Certificates of indebtedness                                      |                         |                   |                            | 200,000                      | 200,000                       |
| <b>Total liabilities</b>  | <b>60,988</b>           |                   |                            | <b>305,000</b>               | <b>365,988</b>                |
| Fund equity:  |                         |                   |                            |                              |                               |
| Investment in general fixed assets                                |                         |                   | 2,023,057                  |                              | 2,023,057                     |
| Fund balances:  |                         |                   |                            |                              |                               |
| Reserved for debt service   |                         | 108,279           |                            |                              | 108,279                       |
| Unreserved, designated  | 814,766                 |                   |                            |                              | 814,766                       |
| <b>Total fund equity</b>  | <b>814,766</b>          | <b>108,279</b>    | <b>2,023,057</b>           |                              | <b>2,946,102</b>              |
| <b>Total liabilities and fund equity</b>                          | <b>\$ 875,754</b>       | <b>\$ 108,279</b> | <b>\$ 2,023,057</b>        | <b>\$ 305,000</b>            | <b>\$ 3,312,090</b>           |

The accompanying notes are an integral part of this statement.

Caddo Parish Fire District Number Three  
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 1999

|   | General           | Debt<br>Service   | Total<br>(Memorandum<br>Only) |
|---|-------------------|-------------------|-------------------------------|
| <b>Revenues:</b>  |                   |                   |                               |
| Ad valorem taxes  | \$ 479,782        | \$ 53,593         | \$ 533,375                    |
| Service charges   | 154,319           |                   | 154,319                       |
| Transport   | 131,244           |                   | 131,244                       |
| Intergovernmental revenue:  |                   |                   |                               |
| State revenue sharing   | 17,317            |                   | 17,317                        |
| Fire insurance rebate   | 13,960            |                   | 13,960                        |
| Interest income   | 28,854            | 3,172             | 32,026                        |
| <b>Total revenues</b>   | <b>825,476</b>    | <b>56,765</b>     | <b>882,241</b>                |
| <b>Expenditures:</b>  |                   |                   |                               |
| <i>Current - Public safety</i>                                    |                   |                   |                               |
| Salaries and related benefits                                     | 513,395           |                   | 513,395                       |
| Legal and accounting  | 10,968            |                   | 10,968                        |
| Insurance   | 44,383            |                   | 44,383                        |
| Office expense  | 5,736             |                   | 5,736                         |
| Repairs and maintenance   | 40,063            |                   | 40,063                        |
| Utilities   | 17,762            |                   | 17,762                        |
| Miscellaneous and other   | 28,815            |                   | 28,815                        |
| Capital outlay  | 355,334           |                   | 355,334                       |
| Debt service:   |                   |                   |                               |
| Principal retirement  |                   | 45,000            | 45,000                        |
| Interest and fiscal charges                                       | 2,967             | 9,795             | 12,762                        |
| Paying agent fee  |                   | 354               | 354                           |
| <b>Total expenditures</b>   | <b>1,019,423</b>  | <b>55,149</b>     | <b>1,074,572</b>              |
| <b>Excess of revenues over (under) expenditures</b>               | <b>(193,947)</b>  | <b>1,616</b>      | <b>(192,331)</b>              |
| <b>Other financing sources:</b>                                   |                   |                   |                               |
| Proceeds of certificates of indebtedness                          | 200,000           |                   | 200,000                       |
| Proceeds from insurance   | 71,000            |                   | 71,000                        |
| <b>Total other financing sources</b>                              | <b>271,000</b>    |                   | <b>271,000</b>                |
| <b>Excess of revenues and other sources<br/>over expenditures</b> | <b>77,053</b>     | <b>1,616</b>      | <b>78,669</b>                 |
| <b>Fund balances at beginning of year</b>                         | <b>737,713</b>    | <b>106,663</b>    | <b>844,376</b>                |
| <b>Fund balances at end of year</b>                               | <b>\$ 814,766</b> | <b>\$ 108,279</b> | <b>\$ 923,045</b>             |

The accompanying notes are an integral part of this statement.

Caddo Parish Fire District Number Three  
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   |                  |                                    | Debt Service Fund |               |                                    |
|--|----------------|------------------|------------------------------------|-------------------|---------------|------------------------------------|
|  | Budget         | Actual           | Variance - Favorable (Unfavorable) | Budget            | Actual        | Variance - Favorable (Unfavorable) |
| <b>Revenues:</b>   |                |                  |                                    |                   |               |                                    |
| Ad valorem taxes   | \$ 460,000     | \$ 460,037       | \$ 37                              | \$ 50,000         | \$ 51,244     | \$ 1,244                           |
| Service charges  | 146,000        | 150,519          | 4,519                              |                   |               |                                    |
| Transport  | 75,000         | 134,232          | 59,232                             |                   |               |                                    |
| Intergovernmental revenue:                                     |                |                  |                                    |                   |               |                                    |
| State revenue sharing  | 12,000         | 17,235           | 5,235                              |                   |               |                                    |
| Fire insurance rebate  | 13,000         | 13,960           | 960                                |                   |               |                                    |
| Interest income  | 20,000         | 28,854           | 8,854                              | 3,000             | 3,172         | 172                                |
| <b>Total revenues</b>  | <b>726,000</b> | <b>804,937</b>   | <b>78,937</b>                      | <b>53,000</b>     | <b>54,416</b> | <b>1,416</b>                       |
| <b>Expenditures:</b>   |                |                  |                                    |                   |               |                                    |
| Current - Public safety  |                |                  |                                    |                   |               |                                    |
| Salaries and related benefits                                  | 504,600        | 510,101          | (5,501)                            |                   |               |                                    |
| Legal and accounting   | 6,500          | 10,968           | (4,468)                            |                   |               |                                    |
| Insurance  | 71,000         | 44,994           | 26,006                             |                   |               |                                    |
| Office expense   | 5,300          | 5,748            | (448)                              |                   |               |                                    |
| Repairs and maintenance  | 39,900         | 41,352           | (1,452)                            |                   |               |                                    |
| Utilities  | 19,800         | 19,018           | 782                                |                   |               |                                    |
| Miscellaneous and other  | 37,900         | 29,287           | 8,613                              |                   |               |                                    |
| Capital outlay   | 40,000         | 355,334          | (315,334)                          |                   |               |                                    |
| <b>Debt service</b>  |                | <b>2,967</b>     | <b>(2,967)</b>                     | <b>54,795</b>     | <b>55,149</b> | <b>(354)</b>                       |
| <b>Total expenditures</b>                                      | <b>725,000</b> | <b>1,019,769</b> | <b>(294,769)</b>                   | <b>54,795</b>     | <b>55,149</b> | <b>(354)</b>                       |
| Excess of revenues over (under) expenditures                   | 1,000          | (214,832)        | (215,832)                          | (1,795)           | (733)         | 1,062                              |
| Other financing sources:                                       |                |                  |                                    |                   |               |                                    |
| Proceeds of certificates of indebtedness                       |                | 200,000          | 200,000                            |                   |               |                                    |
| Proceeds of insurance  |                | 71,000           | 71,000                             |                   |               |                                    |
| <b>Total other financing sources</b>                           |                | <b>271,000</b>   | <b>271,000</b>                     |                   |               |                                    |
| Excess of revenues and other sources over (under) expenditures | 1,000          | 56,168           | 55,168                             | (1,795)           | (733)         | 1,062                              |
| Fund balances at beginning of year                             | 57,000         | 122,700          | 65,700                             | 41,607            | 51,800        | 10,193                             |
| Fund balances at end of year                                   | \$ 58,000      | \$ 178,868       | \$ 120,868                         | \$ 39,812         | \$ 51,067     | \$ 11,255                          |

The accompanying notes are an integral part of this statement.

Caddo Parish Fire District Number Three  
Notes to Financial Statements  
December 31, 1999

(1) Summary of Significant Accounting Policies

The Caddo Parish Fire District Number Three was created by resolution of the Caddo Parish Commission on April 11, 1994, to purchase and maintain fire equipment and to provide fire protection for the people of Caddo Parish Fire District Number Three. The District is governed by a board of commissioners consisting of 5 members: 2 members are appointed by the Caddo Parish Commission; 2 members are appointed by the Mayor and Board of Aldermen of Greenwood; and one member, who is the chairman, is appointed by the other 4 board members. Members serve two year terms and receive no compensation for their services.

A. Basis of Presentation

The accompanying financial statements of the Caddo Parish Fire District Number Three (the District) 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

Because the Caddo Parish Commission appoints two members of the governing board and because the District operates within the geographical boundaries of Caddo Parish, The District was determined to be a component unit of the Caddo Parish Commission, the governing body of the parish and the governmental body with oversight responsibility. This report includes only funds and account groups which are maintained by the District and does not present information on the Caddo Parish Commission, the general government service provided by that governmental unit, or the other governmental units that comprise the Commission.

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 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 funds because they do not directly affect net expendable available financial resources.

(Continued)

Caddo Parish Fire District Number Three  
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 of the District include:

1. General Fund – the general funds are used to account for the general operating funds of the District and account for all financial resources, except those required to be accounted for by other funds.
2. Debt Service Fund –the debt service funds are used to account for the accumulation of resources for, and the payment of, principal, interest, and other related costs on those long-term obligations recorded in the general long-term debt account group.

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:

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.

The \$50 annual service charge on each residential and each commercial structure is levied on a calendar year basis and becomes due and payable on the date the tax rolls are filed with the recorder of mortgages. The service charges become delinquent if not paid by December 31. The service charges are normally collected in December, January and February of the current year.

Transport fees and other revenues are recorded when they become available to the District.

(Continued)



**Caddo Parish Fire District Number Three**  
**Notes to Financial Statements**  
**December 31, 1999**  
**(Continued)**

**Interest Income**

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, except for principal and interest on general long-term debt, which are recognized when due.

**E. Budgets**

*The district uses the following budget practices:*

1. A preliminary budget for the ensuing year is prepared by the Fire Chief and Officers of the District 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.
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 for the general fund. There were no amendments to the 1999 budget.

(Continued)

Caddo Parish Fire District Number Three  
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 of revenues and other sources over expenditures and other uses on page 4 (budget basis) with the amounts shown on page 3 (GAAP basis):

|  | <u>General<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> |
|--|-------------------------|----------------------------------|
| Excess of revenues and other sources<br>over (under) expenditures and other<br>uses (budget basis)       | \$ 56,168               | \$ ( 733)                        |
| Adjustments:   |                         |                                  |
| Revenue accruals – net   | 20,539                  | 2,349                            |
| Expenditure accruals – net   | <u>346</u>              | <u>–</u>                         |
| Excess of revenues and other sources<br>sources over (under) expenditures and other<br>uses (GAAP basis) | <u>\$ 77,053</u>        | <u>\$ 1,616</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.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. 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 or any other state of the United States, or under the laws of the United States.

(Continued)

Caddo Parish Fire District Number Three  
Notes to Financial Statements  
December 31, 1999  
(Continued)

H. Fixed Assets

Fixed assets 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.

I. Compensated Absences

The district has the following policy relating to vacation and sick leave:

*After one year of service, fireman earn from 18 to 28 days of annual leave each year, depending on their length of service. Annual leave must be taken in the year earned. Unused annual leave cannot be accumulated. Upon termination, employees are paid for any earned but unused annual leave in the year of termination. The cost of leave privileges, computed in accordance with the above policy, is recognized as a current-year expenditure within the various funds when leave is actually taken.*

Each full-time employee is entitled to full pay during sickness or incapacity not brought about by his or her own negligence or culpable indiscretion, for a period of not less than 52 weeks, during any calendar year.

J. 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.

K. Fund Equity

Reserves represent those portions of fund equity not appropriated for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

L. Total Columns on Combined Statements

The total columns on the statements are captioned Memorandum 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.

(Continued)

Caddo Parish Fire District Number Three  
Notes to Financial Statements  
December 31, 1999  
(Continued)

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Levied Taxes

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

|           | <u>Authorized<br/>Millage</u> | <u>Levied<br/>Millage</u> | <u>Expiration<br/>Date</u> |
|-----------|-------------------------------|---------------------------|----------------------------|
| Operating | 9.88                          | 9.88                      | 2004                       |
| Bond tax  | 1.10                          | 1.10                      | 2004                       |

(3) Cash and Cash Equivalents

At December 31, 1999, the District has cash and cash equivalents (book balances) totaling \$232,864 in demand deposits and interest bearing demand deposits.

These 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 \$366,626 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$266,626 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 Number Three, Louisiana Revised Statute 39:1229 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.

(Continued)

Caddo Parish Fire District Number Three  
Notes to Financial Statements  
December 31, 1999  
(Continued)

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

|                            | Balance<br>12-31-98 | Additions         | Retirements      | Balance<br>12-31-99 |
|----------------------------|---------------------|-------------------|------------------|---------------------|
| Land                       | \$ 74,350           | \$ -              | \$ -             | \$ 74,350           |
| Buildings                  | 414,819             | -                 | -                | 414,819             |
| Equipment and furniture    | <u>1,197,574</u>    | <u>365,334</u>    | <u>29,020</u>    | <u>1,533,888</u>    |
| Total general fixed assets | <u>\$ 1,686,743</u> | <u>\$ 365,334</u> | <u>\$ 29,020</u> | <u>\$ 2,023,057</u> |

(5) Retirement Systems

A. Louisiana Firefighters Retirement System

Certain employees of the District are members of the Louisiana Firefighters Retirement System (System), a cost-sharing multi-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 enact an ordinance prior to January 1, 1980, 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 three and one-third per cent of their final-average salary for each year of credible service, not to exceed 100 percent of their final average salary. Final-average salary is the employee's average salary over the 36 consecutive months or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who 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 by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. The report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

(Continued)

Caddo Parish Fire District Number Three  
Notes to Financial Statements  
(Continued)  
December 31, 1999

Plan members are required by state statute to contribute 8.0 per cent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 9.0 per cent 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 11:103, 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 District's contributions to the System for the years ending December 31, 1999, 1998, and 1997 were \$33,947, \$29,151, and \$26,247, respectively, equal to the required contributions for each year.

(6) Changes in General Long-Term Debt Obligations

The following is a summary of long-term obligation transactions for the year ended December 31, 1999:

|                              | Balance<br>12-31-98 | Additions         | Payments         | Balance<br>12-31-99 |
|------------------------------|---------------------|-------------------|------------------|---------------------|
| Public Improvement Bonds     | \$ 150,000          | -                 | \$ 45,000        | \$ 105,000          |
| Certificates of Indebtedness | -                   | 200,000           | -                | 200,000             |
|                              | <u>\$ 150,000</u>   | <u>\$ 200,000</u> | <u>\$ 45,000</u> | <u>\$ 305,000</u>   |

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

Public Improvement Bonds –

\$500,000 – 1986 bonds for acquisition of buildings, machinery, and equipment due in annual installments of \$20,000 to \$55,000 through June 1, 2001; interest rates of 6.8 to 7.7 percent. The debt redemption is paid from the Debt Service Fund. At December 31, 1999 the amount of funds available to service the Public Improvement Bonds is \$108,279.

\$ 105,000

(Continued)

Caddo Parish Fire District Number Three  
Notes to Financial Statements  
(Continued)  
December 31, 1999

Certificates of Indebtedness at December 31, 1999 are comprised of the following:

|   |                   |
|---|-------------------|
| Series 1999, original amount \$166,000 for acquiring fire trucks and costs of issuance due in annual installments of \$31,000 to \$36,000 through March 1, 2004; interest rate of 4.95%; repayment of debt is paid from the operating ad valorem tax levied by the District.  | \$ 166,000        |
| Series 1999, original amount \$34,000 for acquiring fire trucks and costs of issuance due in annual installments of \$6,000 to \$7,000 through March 1, 2004; interest rate 0% through the Louisiana Public Facilities Authority; repayment of debt is paid from the operating ad valorem tax levied by the District. | <u>34,000</u>     |
|   | <u>\$ 200,000</u> |

The annual requirements to amortize all debt outstanding as of December 31, 1999, including interest payments of \$8,278 for the Public Improvement Bonds and \$21,235 for the certificates of indebtedness are as follows:

| Year Ending<br>December 31 | Public<br>Improvement<br>Bonds | Certificates<br>of<br>Indebtedness | Total      |
|----------------------------|--------------------------------|------------------------------------|------------|
| 2000                       | \$ 56,160                      | \$ 44,450                          | \$ 100,610 |
| 2001                       | 57,118                         | 43,915                             | 101,033    |
| 2002                       |                                | 44,331                             | 44,331     |
| 2003                       |                                | 44,648                             | 44,648     |
| 2004                       |                                | 43,891                             | 43,891     |
|                            | \$ 113,278                     | \$ 221,235                         | \$ 334,513 |

(7) Subsequent Event

The District adopted a resolution during December, 1999, giving approval for the issuance of certificates of indebtedness in an amount not to exceed \$150,000. The proceeds are to be used for acquiring fire trucks. The debt will be repaid from the current operating ad valorem tax levied by the District. The debt was issued in April, 2000.

(Continued)

Caddo Parish Fire District Number Three  
Notes to Financial Statements  
(Continued)  
December 31, 1999

(8) Budget Comparisons

During 1999, based upon the legally adopted budget the general fund has excess expenditures over appropriations in the budget of \$294,769. This was due to the District not amending the 1999 budget to show proceeds of certificates of indebtedness and insurance along with the corresponding expenditures for capital items associated with those proceeds. The actual budget basis (cash basis) fund balance increased by \$56,168.

(9) 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.



# COOK & MOREHART

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SOCIETY OF LOUISIANA  
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*

To the Members of the  
Board of Commissioners  
Caddo Parish Fire District Number Three

We have audited the general purpose financial statements of Caddo Parish Fire District Number Three as of and for the year ended December 31, 1999, and have issued our report thereon dated June 8, 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 Caddo Parish Fire District Number Three'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 Caddo Parish Fire District Number Three'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. However, we noted one matter involving the internal control over financial reporting, which we have reported to management and is shown on the summary schedule of audit findings on page 17.

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.



Cook & Morehart  
Certified Public Accountants  
June 8, 2000

Caddo Parish Fire District Number Three  
Greenwood, 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 year audit for the year ended December 31, 1998.

**Corrective Action Plan for Current Year Audit Findings**

**Finding #99-1 – Budgetary Control**

**Description of Finding**

During the year ended December 31, 1999, the District did not amend the 1999 budget to reflect the proceeds of certificates of indebtedness and insurance along with the corresponding expenditures for capital items associated with those proceeds. This caused the revenue and other sources and actual expenditures and other uses to exceed the budgeted amounts by more than 5%.

**Corrective Action Planned**

The District will monitor budgets and amend those budgets to be in compliance with state law.

**Name of Contact Person:** Don McMullen, Fire Chief