

Benton Fire District No. 4
Benton, Louisiana
General Purpose Financial Statements
As of and for the Year Ended December 31, 2002

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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 8/20/03

Benton Fire District No. 4
Benton, Louisiana

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Independent Auditors' Report

Board of Commissioners
Benton Fire District No. 4
Benton, Louisiana 71006

We have audited the accompanying general purpose financial statements of Benton Fire District No. 4 (the District), a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of Benton Fire District No. 4's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and 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 Benton Fire District No. 4, as of December 31, 2002, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2003 on our consideration of Benton Fire District No. 4's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Cook & Morehart
Certified Public Accountants
June 17, 2003

Benton Fire District No. 4
Benton, Louisiana
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2002

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General	Debt Service	General Fixed Assets	General Long-Term Debt	
Assets and Other Debits					
Cash and cash equivalents	\$ 163,481	\$ 95,818	\$	\$	\$ 259,299
Investments	301,700				301,700
Receivables - ad valorem taxes	744,635	130,331			874,966
Land			15,450		15,450
Buildings			529,036		529,036
Equipment			1,893,724		1,893,724
Amount available in debt service funds				221,914	221,914
Amount to be provided for retirement of general long-term debt				791,672	791,672
Total assets and other debits	\$ 1,209,816	\$ 226,149	\$ 2,438,210	\$ 1,013,586	\$ 4,887,761
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ 24,194	\$ 4,235	\$	\$	\$ 28,429
General obligation bonds payable				555,000	555,000
Capital lease obligation				458,586	458,586
Total liabilities	24,194	4,235		1,013,586	1,042,015
Fund equity:					
Investment in general fixed assets			2,438,210		2,438,210
Fund balances -					
Reserved for debt service		221,914			221,914
Unreserved, undesignated	1,185,622				1,185,622
Total fund equity	1,185,622	221,914	2,438,210		3,845,746
Total liabilities and fund equity	\$ 1,209,816	\$ 226,149	\$ 2,438,210	\$ 1,013,586	\$ 4,887,761

The accompanying notes are an integral part of this statement.

Benton Fire District No. 4
Benton, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2002

	General	Debt Service	Total (Memorandum Only)
Revenues:			
Ad valorem taxes	\$ 658,486	\$ 115,236	\$ 773,722
Intergovernmental-fire insurance rebate	17,591		17,591
Interest income	15,010	1,722	16,732
Other	6		6
	<hr/>	<hr/>	<hr/>
Total revenues	691,093	116,958	808,051
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current -			
General government	31,303	4,235	35,538
Public Safety	522,242		522,242
Capital outlay	55,787		55,787
Debt service:			
Principal retirement	43,533	60,000	103,533
Interest and fiscal charges	30,579	32,232	62,811
Paying agent fee		1,306	1,306
	<hr/>	<hr/>	<hr/>
Total expenditures	683,444	97,773	781,217
	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures	7,649	19,185	26,834
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	1,177,973	202,729	1,380,702
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 1,185,622</u>	<u>\$ 221,914</u>	<u>\$ 1,407,536</u>

The accompanying notes are an integral part of this statement.

Benton Fire District No. 4
Benton, 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, 2002

	General Fund		Variance -
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Ad valorem taxes	\$ 664,000	\$ 646,354	\$ (17,646)
Intergovernmental-fire insurance rebate	25,000	17,591	(7,409)
Interest income	15,000	15,010	10
Other		6	6
Total revenues	<u>704,000</u>	<u>678,961</u>	<u>(25,039)</u>
Expenditures:			
General government	27,000	28,935	(1,935)
Public Safety	665,500	522,242	143,258
Capital outlay	58,500	55,787	2,713
Debt service:			
Principal retirement	103,000	43,533	59,467
Interest and fiscal charges		30,579	(30,579)
Total expenditures	<u>854,000</u>	<u>681,076</u>	<u>172,924</u>
Excess of revenues over (under) expenditures	(150,000)	(2,115)	147,885
Fund balances at beginning of year	<u>150,000</u>	<u>467,296</u>	<u>317,296</u>
Fund balances at end of year	<u>\$</u>	<u>\$ 465,181</u>	<u>\$ 465,181</u>

The accompanying notes are an integral part of this statement.

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002

(1) Summary of Significant Accounting Policies

The Benton Fire District No. 4 (the District) 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 Benton, and by the commissioners themselves. The Board of Commissioners received no compensation during 2002. 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 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

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 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 financial resources.

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(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 –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 –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. General Fixed Assets Account Group –used to account for fixed assets used in governmental fund type operations for control purposes.
4. General Long-Term Debt Account Group –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:

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.

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(Continued)

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 uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the fire chief 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 through passage of a resolution.
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 all funds. The original budget was amended two times during 2002. Those amendments are reflected in the budgetary comparisons included in the accompanying financial statements.

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(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 4 (budget basis) with the amounts shown on page 3 (GAAP basis):

	General
	<u>Fund</u>
Excess of revenues and other sources over (under) expenditures and other uses (budget basis)	\$ (2,115)
Adjustments:	
Revenue accruals – net	12,132
Expenditure accruals – net	<u>(2,368)</u>
Excess of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 7,649</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, 2002.

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(Continued)

G. Cash, Cash Equivalents and Investments

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.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost, which approximates market.

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. Donated fixed assets are valued at their estimated fair value at date of donation.

I. Compensated Absences

The District follows leave policies set forth in Louisiana Revised Statutes 33:1995, et. al. After having served one year, firemen shall be entitled to an annual vacation of eighteen days with full pay. This vacation period shall be increased one day for each year of service over ten years, up to a maximum vacation period of thirty days, all of which shall be with full pay. Vacation pay not used by December 31 of each year is forfeited.

Firemen are entitled to full pay during sickness for a period of not less than fifty-two weeks per 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.

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(Continued)

K. Total Columns on Statements

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.

L. 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:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Operating	10.00	10.00	2007
Operating	10.00	10.00	2007
Debt Service	variable	3.50	2008

(3) Cash and Cash Equivalents

At December 31, 2002, the district has cash and cash equivalents (book balances) totaling \$259,299, comprised entirely of demand deposits.

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, 2002, the district had \$284,163 in deposits (collected bank balances). These deposits are secured from risk by \$122,231 of federal deposit insurance and \$161,932 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(Continued)

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 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

(4) Investments

At December 31, 2002, Benton Fire District #4 had investments totaling \$301,700 in Louisiana Asset Management Pool (LAMP). The investments are registered in the name of LAMP and are held in the custodial bank's trust account at the Federal Reserve. Because the investments are held by the custodian in the name of LAMP, the investments are considered Category A in applying the credit risk of GASB Codification Section 150.125. The market value of this particular type of investment is not materially different from its carrying amount.

(5) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 12-31-01	Additions	Retirements	Balance 12-31-02
Land	\$ 15,450	\$ —	\$ —	\$ 15,450
Buildings	507,311	21,725	—	529,036
Equipment	<u>1,859,662</u>	<u>34,062</u>	<u>—</u>	<u>1,893,724</u>
Total general fixed assets	<u>\$ 2,382,423</u>	<u>\$ 55,787</u>	<u>\$ —</u>	<u>\$ 2,438,210</u>

(6) Pension Plan

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

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(Continued)

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 or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

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 rates during 2002 were 9 per cent for the period January through November, and 18.5 per cent beginning in December, of annual covered payroll. The contributions for the month of December 2002, in excess of 9 per cent, were refunded to the district in May 2003. 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, 2002, 2001, and 2000 were \$19,140, \$13,822, and \$7,768, respectively, equal to the required contributions for each year.

Other employees of the district who are not eligible to participate in the Firefighters' Retirement System are members of the Social Security System.

During 1999, the District began participating in a deferred compensation plan in accordance with the Internal Revenue Code Section 457 (Section 457 Plan). Under Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, plans that meet the criteria in NCGA Statement 1, Governmental Accounting and Financial Reporting Principles, should be reported as an expendable trust fund in the financial statements of the government. Because the District's Section 457 Plan does not meet this criteria, the balances in assets and liabilities were not presented in the financial statements of the District. The District's contribution to the Section 457 Plan was \$7,216 and \$6,783 for the years ended December 31, 2002 and 2001, respectively.

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(Continued)

(7) Leases

For the year ended December 31, 2002, the district had two operating leases on certain properties that are utilized by the district. Lease payments on these two leases for the year ended December 31, 2002 were \$600. The minimum annual commitments under noncancelable operating leases are as follows:

Year Ending December 31,	
2003	\$ 600
2004	600
2005	600
2006	600
2007	600
2008 - 2012	3,000
2013 - 2017	3,000
2018 - 2022	1,500
2023 - 2027	500
2028 - 2032	500
2033 - 2037	500
2038 - 2042	500
2043 - 2047	500
2048 - 2052	500
2053 - 2057	500
2058 - 2062	500
2063 - 2067	500
2068 - 2072	500
2073 - 2077	500
2078 - 2082	500
2083 - 2087	500
2088 - 2089	200
	<u>\$ 17,200</u>

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(Continued)

(8) Changes in General Long-Term Debt

The following is a summary of the long-term debt transactions during the year:

	<u>Balance</u> <u>12-31-01</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12-31-02</u>
General Obligation Bonds	\$ 615,000	\$ -	\$ 60,000	\$ 555,000
Capital Lease Obligation	<u>502,119</u>	<u>-</u>	<u>43,533</u>	<u>458,586</u>
Totals	<u>\$ 1,117,119</u>	<u>\$ -</u>	<u>\$ 103,533</u>	<u>\$ 1,013,586</u>

Bonds payable at December 31, 2002 are comprised of the following individual issue:

General obligation refunding bonds –

\$615,000 – 2001 bonds for the purpose of refunding all of its outstanding General Obligation Bonds, Series 1990, due in annual installments of \$60,000 to \$95,000 through March 1, 2009; interest rate of 4.7 percent. The debt redemption is paid from the Debt Service Fund.

\$ 555,000

Capital Lease Obligation at December 31, 2002 is comprised of the following agreement:

Agreement dated February 19, 2001 for the lease–purchase of one rescue pumper and one ladder truck totaling \$542,714; due in 10 annual payments of \$74,112 effective interest rate of approximately 6.09%. The annual lease payments are paid from the General Fund.

\$ 458,586

Total

\$ 1,013,586

At December 31, 2002 the amount of funds available to service the General Obligation bonds is \$221,914.

(Continued)

Benton Fire District No. 4
Benton, Louisiana
Notes to Financial Statements
December 31, 2002
(Continued)

The annual requirements to amortize all bonds and lease obligations outstanding at December 31, 2002, including interest of \$97,878 and \$134,311, respectively, are as follows:

<u>Year Ending December 31</u>	<u>Bonds</u>	<u>Capital Leases</u>	<u>Total</u>
2003	\$ 89,557	\$ 74,112	\$ 163,669
2004	91,385	74,112	165,497
2005	92,977	74,112	167,089
2006	89,453	74,112	163,565
2007	95,693	74,112	169,805
2008 – 2010	193,813	222,337	416,150
	<u>\$ 652,878</u>	<u>\$ 592,897</u>	<u>\$ 1,245,775</u>

(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.

(10) GASBS No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement). Certain of the significant changes in the Statement include the following:

For the first time the financial statements will include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including reporting infrastructure assets (roads, bridges, etc.), as applicable.
- A change in the fund financial statements to focus on the *major* funds.

The general provisions of GASBS No. 34 must be implemented in the year ending December 31, 2003, to correspond with the date of implementation of the primary government, the Bossier Parish Police Jury.

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
Benton Fire District No. 4

We have audited the general purpose financial statements of Benton Fire District No. 4 as of and for the year ended December 31, 2002, and have issued our report thereon dated June 17, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Benton Fire District No. 4's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Benton Fire District No. 4's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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 stylized flourish extending from the end.

Cook & Morehart
Certified Public Accountants
June 17, 2003

Benton Fire District No. 4
Benton, Louisiana
Summary Schedule of Audit Findings
December 31, 2002

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, 2001.

Corrective Action Plan for Current Year Audit Findings

There were no findings or management letter comments for the current year audit for the year ended December 31, 2002.