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CADDO PARISH FIRE DISTRICT NUMBER 4

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FINANCIAL STATEMENTS

December 31, 1997

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Release Date 12/31/99

**CADDO PARISH FIRE DISTRICT NUMBER 4**

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To the Members of the Board of Commissioners  
Cade Parish Fire District Number 4  
Cade Parish, Louisiana

We have compiled the accompanying financial statements of Cade Parish Fire District Number 4, a component unit of the Cade Parish Commission, as of December 31, 1997, and for the year then ended in accordance with statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of the Members of the Board of Commissioners. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

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

June 18, 1998

**CADDO PARISH FIRE DISTRICT NUMBER 4**

Combined Balance Sheet - All Fund Types and Account Groups  
December 31, 2007

	Governmental Funds		Special Revenue Funds		Capital Projects		Debt Service		Total	
	General Fund	Other Funds	General Fund	Other Funds	Capital Projects	Debt Service	General Fund	Other Funds	December 31, 2007	December 31, 2006
<b>Assets and Other Debits</b>										
Assets:										
Cash and cash equivalents	27,912	\$ 58,344	\$	\$	\$	\$	\$	\$	\$ 86,256	\$ 61,007
Prepaid insurance	1,895								1,895	1,215
Accounts receivable - employees										690
Accounts receivable:										
Prepaid fire and service charges	393,000								393,000	314,450
All vendors' taxes	96,409	50,645							147,054	130,726
Late allowance for cancellable taxes	(4,897)	(7,731)							(12,628)	(10,511)
Due from governmental units	(4,826)								54,084	54,280
Paid taxes			623,891						623,891	663,190
Other Debits:										
Accounts payable in other services fund					187,054				187,054	303,026
Amount to be provided for retirement of long-term debt									76,323	303,429
<b>Total Assets and Other Debits</b>	<b>363,094</b>	<b>117,034</b>	<b>1,427,891</b>	<b>187,054</b>	<b>187,054</b>	<b>187,054</b>	<b>623,891</b>	<b>76,323</b>	<b>3,111,042</b>	<b>3,111,042</b>
<b>Liabilities, Equity, and Other Credits</b>										
Liabilities:										
Accounts payable									3,409	1,190
Salaries payable	2,400								2,400	3,364
Payroll taxes payable	395								395	505
Leases payable										
Notes payable									24,297	24,297
Bonds payable									4,750	4,750
Bonds payable									20,000	20,000
Total Liabilities									29,851	30,906
Equity and Other Credits:										
Reserve in general fund assets			623,891						623,891	663,190
Paid Reserves:										
Reserved for debt service					187,054				187,054	203,026
Unassigned/uncommitted	393,000								393,000	303,429
Total Equity and Other Credits	393,000		623,891						1,016,891	906,525
<b>Total Liabilities, Equity, and Other Credits</b>	<b>393,000</b>	<b>187,054</b>	<b>1,427,891</b>	<b>187,054</b>	<b>187,054</b>	<b>187,054</b>	<b>623,891</b>	<b>76,323</b>	<b>3,111,042</b>	<b>3,111,042</b>

**CADDO PARISH FIRE DISTRICT NUMBER 4**

**Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds**

Year Ended December 31, 2007

	General Fund	Debt Service Fund	Totals	
			(Memorandum Data)	
			2007	2006
<b>Revenues:</b>				
Taxes	\$ 55,290	\$ 29,184	\$ 141,064	\$ 129,148
Facilities fees and service charges	271,680		211,080	111,967
Intergovernmental:				
Fire insurance rebates	12,207		12,207	12,204
State revenue sharing	11,145		11,249	11,963
State supplemental pay	18,404		18,404	18,048
Interest income	14,648	2,624	17,274	6,274
Miscellaneous revenues	528		832	330
<b>Total revenues</b>	<b>496,192</b>	<b>31,798</b>	<b>464,544</b>	<b>373,683</b>
<b>Expenditures:</b>				
Current:				
General government	44,988	(1,735)	43,018	46,953
Public safety	188,402		188,402	188,112
Capital outlay	21,881		21,900	28,172
Debt service:				
Bond principal paid		49,000	49,000	35,000
Note principal paid	1,480		1,480	453
Lease principal paid	35,880		35,098	
Interest paid	764	15,158	26,454	26,511
<b>Total expenditures</b>	<b>242,395</b>	<b>53,173</b>	<b>306,176</b>	<b>290,623</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>253,797</b>	<b>4,028</b>	<b>158,371</b>	<b>83,060</b>
<b>Other Financing Sources:</b>				
Proceeds of note payable				9,880
Proceeds of lease payable	39,217		39,217	
Sale of equipment	(2,992)		(1,280)	
Total other financing sources	36,225		37,937	9,880
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<b>188,102</b>	<b>4,028</b>	<b>191,735</b>	<b>(7,077)</b>
<b>Fund Balances, Beginning</b>	<b>202,222</b>	<b>203,828</b>	<b>305,330</b>	<b>312,817</b>
<b>Fund Balances, Ending</b>	<b>\$ 390,204</b>	<b>\$ 207,856</b>	<b>\$ 498,060</b>	<b>\$ 305,740</b>

**CADDÒ PARISH FIRE DISTRICT NUMBER 4**

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

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 85,500	\$ 86,500	\$ 800
Facility fees and service charges	111,400	211,000	199,600
Intergovernmental revenues:			
Fire insurance rebates	11,000	11,207	207
State revenue sharing	13,500	11,143	(2,357)
State supplemental pay	20,500	20,484	66
Interest income	11,000	14,640	3,640
Miscellaneous revenues	800	820	20
Total revenues	<u>244,600</u>	<u>468,294</u>	<u>223,694</u>
<b>Expenditures</b>			
Current:			
General government	11,430	49,660	4,450
Public safety	164,000	168,400	(2,500)
Capital outlay	23,000	21,500	1,490
Debt service:			
Mortgage principal paid		1,800	(1,800)
Lease principal paid	15,000	15,000	
Interest paid		700	(700)
Total expenditures	<u>213,500</u>	<u>256,360</u>	<u>42,860</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(18,900)</u>	<u>(14,260)</u>	<u>14,640</u>
<b>Other Financing Sources</b>			
Proceeds of notes payable			
Proceeds of lease payable	15,000	24,217	24,217
Sale of equipment		(7,500)	(7,500)
Total other financing sources	<u>15,000</u>	<u>16,717</u>	<u>16,717</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures</b>	<u>4,100</u>	<u>20,457</u>	<u>10,000</u>
Fund Balances, Beginning	<u>300,200</u>	<u>300,200</u>	
Fund Balances, Ending	<u>\$ 304,300</u>	<u>\$ 320,657</u>	<u>\$ 16,357</u>

## CADDO PARISH FIRE DISTRICT NUMBER 4

Notes to Financial Statements  
December 31, 1997

The Caddo Parish Fire District Number 4 (the District) is an incorporated political subdivision of the State of Louisiana. It is financed primarily by ad valorem taxes, parcel fees and service charges which are approved by the qualified voters of the District. The District is governed by a board of commissioners. It is supervised by the Caddo Parish Commission. There are five board members. The board members are not compensated. The purpose of the District is to provide fire protection and emergency services to residents of the District.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Caddo Parish Fire District Number 4 have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity:** As the governing authority of the parish, for reporting purposes, the Caddo Parish Commission (the Commission) is the financial reporting entity for Caddo Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Caddo Parish Commission for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Commission to impose its will on that organization under
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Commission.
2. Organizations for which the Commission does not appoint a voting majority but are fiscally dependent on the Commission.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Commission meets the first criterion listed above, the District was determined to be a component unit of the Caddo Parish Commission, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

## CADDO PARISH FIRE DISTRICT NUMBER 4

Notes to Financial Statements  
December 31, 1997

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

**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 set of self-balancing accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not accorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets, and the servicing of general long-term debt and all operating activities. Governmental funds of the District include:

**General Fund** - The general operating fund of the District which accounts for all financial resources, except those required to be accounted for in other funds.

**Debt Service Fund** - Accounts for transactions relating to resources retained and used for the payment of principal and interest on the long-term obligations recorded in the general long-term obligations account group.

**Basis of Accounting.** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

**Basis of Estimates.** The preparation of financial statements generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

**Budgets.** A budget for the ensuing year is prepared by the fire chief and approved by the board of commissioners prior to December 31 of each year usually during the board's regular December meeting. The proposed budget is prepared on a cash basis of accounting. The budget is legally adopted and amended, as necessary, by the board of commissioners. The board reserves all authority to make changes in the budget. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. The budget was amended in 1997.



## CADDO PARISH FIRE DISTRICT NUMBER 4

Notes to Financial Statements  
December 31, 1997

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

**Cash.** Cash includes amounts in interest-bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**Fixed Assets.** Fixed assets are recorded as expenditures in the governmental funds as for those purchased or constructed, and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Depreciated fixed assets are stated at their estimated fair value on the date demanded.

**Long-term Obligations.** Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

#### **Fund Balances**

**Reserves - Reserves** represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

**Dedicated Fund Balances - Dedicated fund balances** represent tentative plans for future use of financial resources.

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

**Bad Debt.** An allowance for doubtful accounts has been established for estimated uncollectible delinquent taxes. Accounts receivable are written-off against this account when information becomes available indicating the amounts are uncollectible.

**Total Columns on Combined Statements.** Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. These columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

### 2. CASH

At December 31, 1997, the District has cash (bank balances) totaling \$87,054 in 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, 1997, the District has \$81,409 in deposits (pledged bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$115,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (OASB Category 3).

**CADDO PARISH FIRE DISTRICT NUMBER 4**

Notes to Financial Statements  
December 31, 1997

**2. CASH (Continued)**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 38:1329 imposes a statutory requirement on the custodial bank to advance and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**3. AD VALOREM TAXES AND PARCEL FEES**

The District levies taxes on real and business personal property within its boundaries. Property taxes attach as an enforceable lien on property as of January 1 of each year. Property taxes are recorded as receivables and revenues in the year assessed to the extent that revenues are collected within 90 days after year-end. The voters have also approved the levying of a \$100 service charge for each residential or commercial structure for 1997.

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

	1997 Millions	
	Authorized	Levied
Maintenance and Operation Tax	\$ 12.14	\$ 10.00
Road Tax	variable	\$ 6.00
Service Charges		\$100 for each residential or commercial structure

The taxes levied during 1997 were \$170,054 on property with an assessed value of \$1,448,890. Total service charges levied were \$288,600 on 2,886 residential or commercial structures.

**4. DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units (including the ad valorem taxes, parcel fees, and service charges which are collected by the Sheriff and remitted to the District) consist of the following:

State revenue sharing	<u>\$ 14,000</u>
-----------------------	------------------

**5. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January 1, 1997	Additions	Deuctions	Balance December 31, 1997
Land	\$ 14,000	\$	\$	\$ 14,000
Buildings & Improvements	97,565			97,565
Equipment & Furniture	499,685	48,701	23,000	525,386
Total	<u>\$ 611,250</u>	<u>\$ 48,701</u>	<u>\$ 23,000</u>	<u>\$ 636,951</u>

## CADDO PARISH FIRE DISTRICT NUMBER 4

Notes to Financial Statements  
December 31, 1997

### 6. PENSION PLAN

**Plan Description.** Substantially all employees of Fire Protection District No. 4 of Caddo Parish are members of the Louisiana Firefighters Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not exist on 1/1/1980 before January 1, 1980, accepting their own 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 30 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3.13 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 30 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) 925-4800.

**Funding Policy.** Plan members are required by state statute to contribute 5.8 percent of their annual covered salary and Fire Protection District No. 4 of Caddo Parish is required to contribute an actuarially determined rate. The current rate is 8.8 percent of annual covered payroll. The contribution requirements of plan members and Fire Protection District No. 4 of Caddo Parish are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employer contributions are determined by actuarial valuations and are subject to change each year based on the results of the valuation for the prior fiscal year. Fire Protection District No. 4 of Caddo Parish's contributions to the System for the years ending December 31, 1997, 1996, and 1995, were \$8,572, \$9,304, and \$8,132, respectively, equal to the required contributions for each year.

### 7. LEASES

The District has entered into two, fifteen-year operating leases for plots of land where the District's facilities are located. During 1996, the land for the central station was purchased for \$23,000. The leases stipulate rental rates of one dollar per year and all costs were prepaid at inception. At the end of the fifteen-year term, all land and improvements become the property of the lessor (original owner). One of the leases has an option for a ten-year extension. The remaining lease will expire, including the extension, on December 28, 2009.

During 1997, the District entered into a five year capital lease for the purchase of a 1997 F150 SLT Power Stroke Chassis White Ambulance Package on Remounted Box to be used in the performance of emergency situations as an essential part of the day-to-day functions and duties of the District. The equipment cost totaled \$41,757, but \$2,500 was allowed on a trade-in and a down payment of \$15,000 was made using funds received from an insurance company in settlement of a vehicular accident. The remaining \$24,257 of the purchase price is financed as described in Note 8 on Long-Term Obligations.

## CAJDO PARISH FIRE DISTRICT NUMBER 4

Notes to Financial Statements  
December 31, 1997

### B. CHANGES IN LONG-TERM OBLIGATIONS:

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

	Leases Payable	Notes Payable	Bonds Payable
Long-term obligations payable January 1, 1997	\$	\$ 8,330	\$ 193,000
Debt additions	38,150		
Debt refinements	(15,000)	(1,800)	(98,000)
Long-term obligations payable December 31, 1997	\$ 24,150	\$ 6,530	\$ 95,000

Bonds payable consist of a \$400,000 bond issue dated March 1, 1985, due in annual installments of \$25,000 to \$50,000, through March 1, 2000. The interest rate for 1997 and subsequent years is 9%. The bonds are secured by levy and collection of ad valorem taxes.

Notes payable consist of an unsecured note payable to an individual dated July 1, 1996, with interest at 9%, due in quarterly installments of \$400 through July 1, 2001. The proceeds of this note were used to purchase land for the central fire station (see Note 7).

Leases payable consist of a capital lease payable to a financing company which has since inception been reclassified as payable to a bank. The lease and amendments are dated August 15, 1995. The lease finances the remaining purchase price of \$24,217 on the purchase of a 1993 F350 XLT Power Stroke Chassis W77A Ambulance Package on Remounted Box.

The lease term is five years beginning August 15, 1997 and ending August 15, 2002 at an interest rate of approximately 9.25%. A buy-out early in the term of the agreement is subject to a prepayment premium.

The annual requirements to amortize debt outstanding as of December 31, 1997, including interest of \$20,623 are:

Year Ending December 31	Leases Payable	Notes Payable	Bonds Payable	Total
1998	\$ 6,278	\$ 2,353	\$ 56,425	\$ 65,056
1999	6,278	2,189	57,659	66,126
2000	6,278	2,025	62,708	71,031
2001	6,278	1,411	-	7,689
2002	6,322	-	-	6,322
Total	\$ 31,534	\$ 7,978	\$ 179,192	\$ 218,704

### B. COMMITMENTS AND CONTINGENCIES

The District is exposed to various risks of loss related to: theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation. Settlements have not exceeded insurance coverage in any of the past three years.

**CADDO PARISH FIRE DISTRICT NUMBER 4**

Notes to Financial Statements  
December 31, 1997

**10. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES:**

Governmental Accounting Standards Board Statement No. 26 requires that on-behalf payments be recognized as both revenue and expenditures by an employer governmental entity. In accordance with this Statement, \$12,404 has been recognized in both intergovernmental revenues - state supplemental pay and public safety expenditures due to on-behalf payments for fringe benefits and salaries.

**11. RECONCILIATION OF DIFFERENCES BETWEEN THE BUDGETARY - BASED FINANCIAL STATEMENTS AND THE GAAP - BASED FINANCIAL STATEMENTS:**

As discussed in Note 1, the budget is prepared on a cash basis of accounting. However, the modified accrual basis of accounting is used for financial reporting purposes in accordance with GAAP. Exhibit 1 reconciles the differences between the budgetary - based financial statements and the GAAP - based financial statements.

The largest adjustment in Exhibit 1 is \$154,150 for parcel fees and service charges. The actual amounts reflect the amount of the increase on the 1997 tax not yet collected as required by Governmental Accounting Standards Board Statement No. 22. The increase in 1997 tax is attributable to the May 3rd, 1997 election which terminated the use of parcel fees at \$50 per parcel and replaced those fees with a service charge of \$200 for each residential or commercial structure. This service charge represents a 100% increase from the parcel fee. Also, with the change of the property being taxed (structure vs. parcel), the fees being taxed increased by 17%. In 1996, 2,289 parcels were taxed in compared with 1,686 residential or commercial structures in 1997.

The other large adjustment in Exhibit 1 is \$24,277 representing proceeds of a lease payable. See Note 8 for details on the accrual of this lease payable which was not recorded on the cash basis.

**EXHIBIT 1  
BUDGETARY/GAAP REPORTING RECONCILIATION  
CADDO PARISH FIRE DISTRICT NUMBER 4  
General Fund  
Statement of Revenues, Expenditures, Changes in Fund Balances -  
Budget and Actual (Budgeting Basis Variance with GAAP)  
Year Ended December 31, 1997**

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>Revenues</b>					
Taxes	\$ 58,750	\$ (3,681)	\$ 55,069	\$ 61,500	\$ (2,911)
Parcel fees and service charges	371,850	(214,150)	157,700	111,400	5,400
Intergovernmental:					
Fire insurance rebates	12,207		12,207	11,000	107
State revenue sharing	11,345	2,400	13,745	13,500	43
State supplemental pay	18,404		18,404	30,500	68
Interest income	14,640		14,640	11,000	3,640
Miscellaneous revenues	522		522	900	20
<b>Total revenues</b>	<b>\$ 408,718</b>	<b>\$ (135,031)</b>	<b>\$ 273,687</b>	<b>\$ 244,600</b>	<b>\$ 6,490</b>

**CADDO PARISH FIRE DISTRICT NUMBER 4**

Notes to Financial Statements  
December 31, 1997

**11. RECONCILIATION OF DIFFERENCES BETWEEN THE BUDGETARY - BASED FINANCIAL STATEMENTS AND THE GAAP - BASED FINANCIAL STATEMENTS (Continued)**

**EXHIBIT 1 (Continued)  
BUDGETARY/GAAP REPORTING RECONCILIATION**

**CADDO PARISH FIRE DISTRICT NUMBER 4  
General Fund**

Statement of Revenues, Expenditures, Changes in Fund Balances -  
Budget and Actual (Excluding Debt) Variance with GAAP/  
Year Ended December 31, 1997

	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>Expenditures:</b>					
<b>Current:</b>					
General government	44,988	3,381	48,379	51,438	3,059
Public safety	148,485	984	149,469	144,300	(7,200)
Capital outlay	20,800	(1,757)	19,043	21,000	2,256
<b>Debt service:</b>					
Bond principal paid					-
Notes principal paid	3,800		3,800		(3,800)
Lease principal paid	15,000		15,000	15,000	
Interest paid	704		704		(704)
Total expenditures	<u>253,388</u>	<u>3,328</u>	<u>256,716</u>	<u>231,738</u>	<u>24,978</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>124,542</u>	<u>(15,148)</u>	<u>(1,800)</u>	<u>(20,800)</u>	<u>2,000</u>
<b>Other Financing Sources:</b>					
Proceeds of lease payable	38,257	(24,257)	15,000	15,000	
Sale of equipment	<u>(7,800)</u>	<u>3,800</u>			
Total other financing sources	<u>30,457</u>	<u>(18,257)</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>	<u>\$ 154,999</u>	<u>\$ -19,005</u>	<u>\$ 13,200</u>	<u>\$ -4,800</u>	<u>\$ 2,000</u>

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Members of the Board of Commissioners  
Caddo Parish Fire District Number 4  
Caddo Parish, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Caddo Parish Fire District Number Four and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Caddo Parish Fire District Number Four's compliance with certain laws and regulations during the year ended December 31, 1997, included in the accompanying Louisiana Governmental Financial Statements. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS-38:2211-2251 (the public bid law).

These expenditures were made during the year each not exceeding \$5,000 and all three were less than \$50,000 each. We examined documentation which indicated that all of the expenditures were made in accordance with LSA-RS-38:2211-2251 (the public bid law).

**Code of Ethics for Public Officials and Public Employees**

1. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS-38:1181-2120 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of these employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (1) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (1).

### **Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the amended budget.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on November 26, 1996 which indicated that the budget had been adopted by the Commissioners of Caddo Parish Fire District Number Four by a vote of all in favor. We traced the amended budget to the minutes of a meeting held on July 28, 1997 which indicated that the amended budget had been adopted by the Commissioners of Caddo Parish Fire District Number Four by a vote of all in favor.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Total actual revenues did exceed the final budgeted amounts by more than 5%. The excess is attributable to the budget being prepared on a cash basis of accounting and the actual revenues being reported on the modified accrual basis of accounting. When these differences are reconciled (as shown in Note 11 of the financial statements), the total actual revenues (as adjusted to cash basis) do not exceed budgeted amounts by more than 5%.

Total actual expenditures did not exceed budgeted amounts by more than 5% in either comparison.

### **Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and identified payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approvals.

### **Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 4:21 through 4:23 (the open meetings law).

Management has asserted that documents were properly posted and advertised. As recorded in the minutes of the meeting, the presence of visitors who refer to the advertisements posted provides additional evidence supporting management's assertion.



**Find**

18. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected all bank statements for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

**Advances and Retires**

19. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted.

We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated June 11, 1993, did not include any unresolved comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Calde Parish Fire District Number Four and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Smith Pugh Robinson, Inc.*  
Certified Public Accountants

June 18, 1998

## APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

November 3, 1997 Date

STATE RICE MARINOWITZ LLP  
610 Marshall Street, Suite 800  
Shreveport, Louisiana 71101-5332

(Auditors)

In connection with your compilation of our financial statements as of December 31, 1997 and for the period then ended, and as required by Louisiana Revised Statute 24:519 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of November 3, 1997 (date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 28:212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1191-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1118.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 38:1321-14) or the budget requirements of LSA-RS 38:43.

Yes  No

**Accounting and Reporting**

Louisiana Governmental Audit Guide

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:21, and 44:38.

We have filed our annual financial statements in accordance with LSA-RS 24:514, 52-463, and/or 24:52, as applicable. Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513. Yes  No

Yes  No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

Debt

It is true we have not incurred any indebtedness, other than credit for 60 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VI, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 53 of the 1974 Louisiana Constitution, and LSA-RS 47:1418.02.

Yes  No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VI, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and ACI opinion 79-725.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Stephen P. Fulco *S.P.F.* Secretary November 3, 1997 Date  
Stephen P. Fulco *S.P.F.* Treasurer November 3, 1997 Date  
Willie Joe Greene *Willie Joe Greene* President October 22, 1997 Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.