

33 JUN 99 11:21

**Benton Fire District No. 4**  
**Benton, Louisiana**  
**General Purpose Financial Statements**  
**As of and for the Year Ended December 31, 1998**

**OFFICIAL  
FILE COPY**  
**DO NOT SEND OUT**  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

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

Release Date 7-21-99

Benton Fire District No. 4  
Benton, Louisiana

Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	1 – 2
<b>General Purpose Financial Statements:</b>	
Combined Balance Sheet – All Fund Types and Account Groups	3
Governmental Funds:	
Combined Statement of Revenues, Expenditures and Changes in Fund Balances	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Cash Basis) and Actual	5
Notes to Financial Statements	6 – 15
<b>Supplementary Information Schedule</b>	16
<b>Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b>	17–18
<b>Summary Schedule of Audit Findings</b>	19

# COOK & MOREHART

*Certified Public Accountants*

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

RAYEBURN G. COOK (RET.)

VICKIE D. NOBLE, CPA  
A. EDWARD BAILL, CPA  
CHERYL H. MANGRUM, CPA

MEMBER  
AMERICAN INSTITUTE  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

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

We have audited the general purpose financial statements of the 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, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Benton Fire District No. 4, as of December 31, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

The year 2000 supplementary information on page 16 is not a required part of the general purpose financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted of principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the District is or will become year 2000 compliant, that the District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the District does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 3, 1999 on our consideration of Benton Fire District No. 4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

Cook & Morehart  
Certified Public Accountants  
June 3, 1999

Benton Fire District No. 4  
 Benton, Louisiana  
 Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 1998

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General	Debt Service	General Fixed Assets	General Long-Term Debt	
<b>Assets and Other Debits</b>					
Cash and cash equivalents	\$ 307,634	\$ 289,749	\$	\$	\$ 597,383
Receivables - ad valorem taxes	500,285	150,085			650,370
Land			15,450		15,450
Buildings			353,816		353,816
Equipment			1,208,058		1,208,058
<i>Amount available in debt service funds</i>				435,376	435,376
<i>Amount to be provided for retirement of general long-term debt</i>				644,624	644,624
<b>Total assets and other debits</b>	<b>\$ 807,919</b>	<b>\$ 439,834</b>	<b>\$ 1,577,324</b>	<b>\$ 1,080,000</b>	<b>\$ 3,905,077</b>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 14,859	\$ 4,458	\$	\$	\$ 19,317
General obligation bonds payable				1,080,000	1,080,000
<b>Total liabilities</b>	<b>14,859</b>	<b>4,458</b>		<b>1,080,000</b>	<b>1,099,317</b>
<b>Fund equity:</b>					
Investment in general fixed assets			1,577,324		1,577,324
<b>Fund balances -</b>					
Reserved for debt service		435,376			435,376
Unreserved, designated	793,060				793,060
<b>Total fund equity</b>	<b>793,060</b>	<b>435,376</b>	<b>1,577,324</b>		<b>2,805,760</b>
<b>Total liabilities and fund equity</b>	<b>\$ 807,919</b>	<b>\$ 439,834</b>	<b>\$ 1,577,324</b>	<b>\$ 1,080,000</b>	<b>\$ 3,905,077</b>

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, 1998

	General	Debt Service	Capital Projects	Total (Memorandum Only)
<b>Revenues:</b>				
Ad valorem taxes	\$ 510,338	\$ 150,608	\$	\$ 660,946
Intergovernmental-fire insurance rebate	13,730			13,730
Other	2,513			2,513
Interest income	15,907	16,980	71	32,958
<b>Total revenues</b>	<b>542,488</b>	<b>167,588</b>	<b>71</b>	<b>710,147</b>
<b>Expenditures:</b>				
Current -				
General government	14,859	4,758		19,617
Public Safety	176,849		4,152	181,001
Capital outlay	5,867		4,547	10,414
Debt service:				
Principal retirement		65,000		65,000
Interest and fiscal charges		77,556		77,556
Paying agent fee		600		600
<b>Total expenditures</b>	<b>197,575</b>	<b>147,914</b>	<b>8,699</b>	<b>354,188</b>
Excess of revenues over expenditures	344,913	19,674	(8,628)	355,959
Fund balances at beginning of year	448,147	415,702	8,628	872,477
Fund balances at end of year	<u>\$ 793,060</u>	<u>\$ 435,376</u>	<u>\$</u>	<u>\$ 1,228,436</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, 1998

	General Fund		Debt Service Fund Type		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Revenues:</b>					
Ad valorem taxes	\$ 228,000	\$ 243,390	\$ 163,500	\$ 163,858	\$ 358
Intergovernmental-fire insurance rebate	13,000	13,730			
Other		2,513			
Interest income	9,000	15,907		16,980	16,980
Total revenues	<u>250,000</u>	<u>275,540</u>	<u>163,500</u>	<u>180,838</u>	<u>17,338</u>
<b>Expenditures:</b>					
General government	7,476	6,961	5,300	4,872	428
Public Safety	399,936	176,849			
Capital outlay	12,588	5,867			
Debt service:					
Principal retirement				65,000	
Interest and fiscal charges				77,556	
Paying agent fee				700	100
Total expenditures	<u>420,000</u>	<u>189,677</u>	<u>148,556</u>	<u>148,028</u>	<u>528</u>
Excess of revenues over (under) expenditures	(170,000)	85,863	14,944	32,810	17,866
Fund balances at beginning of year	170,000	221,771	249,000	256,939	7,939
Fund balances at end of year	\$	\$ 307,634	\$ 263,944	\$ 289,749	\$ 25,805

The accompanying notes are an integral part of this statement.



Benton Fire District No. 4  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 1998

(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 1998. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

(Continued)



Benton Fire District No. 4  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 1998  
(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. **Capital Projects Fund** --accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.
4. **General Fixed Assets Account Group** --used to account for fixed assets used in governmental fund type operations for control purposes.
5. **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:

(Continued)

Benton Fire District No. 4  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 1998  
(Continued)

Revenues

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

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

Expenditures

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

E. Budgets

The District uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the paid firefighter 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 1998. 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, 1998  
 (Continued)

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

	General Fund	Debt Service Fund
Excess of revenues and other sources over (under) expenditures and other uses (budget basis)	\$ 85,863	\$ 32,810
Adjustments:		
Revenue accruals – net	266,948	( 13,251)
Expenditure accruals – net	( 7,898)	115
Excess of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 344,913</u>	<u>\$ 19,674</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, 1998.

(Continued)

Benton Fire District No. 4  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 1998  
(Continued)

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.

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

Full-time employees of the district earn 10 days of vacation leave each year. Vacation leave does not accumulate or vest.

Full-time employees are also eligible to earn 10 days of sick leave each year. Sick leave is allowed to accumulate without limit; however, a maximum of thirty (30) sick days may be used per year. Any additional sick leave must be approved by the Board. Unused sick leave upon separation of employment is not paid.

At December 31, 1998, employee leave benefits requiring recognition were determined to be immaterial and are not included within the general long-term obligations account group. The cost of leave privileges, computed in accordance with the above codification, is recognized as a current-year expenditure within the various funds when leave is actually taken.

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, 1998  
 (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	6.00	2008

(3) Cash and Cash Equivalents

At December 31, 1998, the district has cash and cash equivalents (book balances) totaling \$597,383 as follows:

Petty Cash	\$ 150
Demand Deposits	5,516
Money Market Accounts	71,717
Certificates of Deposit	520,000
Total	\$597,383

(Continued)

Benton Fire District No. 4  
 Benton, Louisiana  
 Notes to Financial Statements  
 December 31, 1998  
 (Continued)

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, 1998, the district had \$611,785 in deposits (collected bank balances). These deposits are secured from risk by \$200,068 of federal deposit insurance and \$411,717 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>12-31-97</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12-31-98</u>
Land	\$ 15,450	\$ -	\$ -	\$ 15,450
Buildings	352,966	850	-	353,816
Equipment	1,198,494	9,564	-	1,208,058
	<u>1,566,910</u>	<u>10,414</u>	<u>-</u>	<u>1,577,324</u>
Total general fixed assets	<u>\$ 1,566,910</u>	<u>\$ 10,414</u>	<u>\$ -</u>	<u>\$ 1,577,324</u>

(Continued)



Benton Fire District No. 4  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 1998  
(Continued)

(5) *Pension Plan*

Beginning in February 1997, the paid firefighter of the District began participating in the Firefighters' Retirement System (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time firefighters working at least 35 hours per week who are employed by the district and are engaged in fire protection and earning at least \$375.00 per month excluding state supplemental pay are eligible to participate in the plan. Employees who retire at or after age 55 with at least 12 years of creditable service, at or after age 50 with at least 20 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 and 1/3 per cent of their final-average salary multiplied by his total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. 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 State Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809, or by calling (225) 925-4060.

Under the System, members are required by state statute to contribute 8.0 percent of their annual covered salary and the District is required to contribute 9.0 percent of the employees' annual covered salaries. The contribution requirements of plan members and the District are established and may be amended by state statute. The District's contributions to the System for the year ending December 31, 1998 and 1997 were \$2,728 and \$2,374, respectively, equal to the required contributions for the year.

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

(Continued)



Benton Fire District No. 4  
 Benton, Louisiana  
 Notes to Financial Statements  
 December 31, 1998  
 (Continued)

(6) Leases

For the year ended December 31, 1998, the district had no capital leases, but 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, 1998 were \$600. The minimum annual commitments under noncancelable operating leases are as follows:

Year Ending December 31,	
1999	\$ 600
2000	600
2001	600
2002	600
2003	600
2004 and after	16,500
	<u>\$ 19,500</u>

(7) Changes in General Long-Term Debt

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

	Balance 12-31-97	Payments	Balance 12-31-98
General Obligation Bonds	<u>\$ 1,145,000</u>	<u>\$ 65,000</u>	<u>\$ 1,080,000</u>

Bonds payable at December 31, 1998 are comprised of the following individual issue:

General obligation bonds –	
\$1,500,000 – 1990 bonds for acquisition of buildings, machinery, and equipment due in annual installments of \$30,000 to \$140,000 through July 1, 2009; interest rates of 7.00 to 11.00 percent. The debt redemption is paid from the Debt Service Fund. At December 31, 1998 the amount of funds available to service the General Obligation bonds is \$435,376	<u>\$ 1,080,000</u>

(Continued)

Benton Fire District No. 4  
Benton, Louisiana  
Notes to Financial Statements  
December 31, 1998  
(Continued)

The annual requirements to amortize all bonds outstanding at December 31, 1998, including interest of \$473,286 are as follows:

<u>Year Ending</u> <u>December 31</u>	
1999	138,153
2000	138,527
2001	138,506
2002	138,100
2003	142,150
2004 - 2009	857,850
	<u>\$ 1,553,286</u>

Benton Fire District No. 4  
Benton, Louisiana  
Supplementary Information Schedule  
Year 200 Disclosure  
(Unaudited)  
December 31, 1998

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The District has completed an inventory of computer systems that may be affected by the year 2000 issue that are critical to conducting operations of the fire district's office. Management of the District has identified the following system requiring 2000 remediation: the emergency response system. Management of the fire district has contacted outside vendors for remediation, testing and validation. The approximate cost for updating the emergency response system is an insignificant amount. The anticipated installation date is before December 31, 1999.

# COOK & MOREHART

*Certified Public Accountants*

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

RAYE BURN G. COOK (RET.)

VICKIE D. NOBLE, CPA  
A. EDWARD BALL, CPA  
CHERYL H. MANGRUM, CPA

MEMBER  
AMERICAN INSTITUTE  
CERTIFIED PUBLIC ACCOUNTANTS  
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*

Board of Commissioners  
Benton Fire District No. 4

We have audited the component unit financial statements of Benton Fire District No. 4 as of and for the year ended December 31, 1998, and have issued our report thereon dated June 3, 1999. 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 Benton Fire District No. 4'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 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 financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

A handwritten signature in cursive script that reads "Cook & Morehart".

Cook & Morehart  
Certified Public Accountants  
June 3, 1999

Benton Fire District No. 4  
Benton, Louisiana  
Summary Schedule of Audit Findings  
December 31, 1998

**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, 1997.

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

There are no findings or management letter comments for the current year audit for the year ended December 31, 1998.