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**GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT**

June 28, 1978

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Release Date June 23 1978

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## Independent Auditor's Report

The Board of Directors  
Grant Parish District Four Volunteer  
Fire Department  
Geopetree, Louisiana

We have audited the accompanying general purpose financial statements of the Grant Parish District Four Volunteer Fire Department as of and for the twenty-four month period ended June 30, 1998, as listed in the table of contents. These financial statements are the responsibility of Grant Parish District Four Volunteer Fire Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

Because of the inadequacy of accounting records for the years prior to 1991, we were unable to form an opinion regarding the amount at which fixed assets are recorded in the accompanying balance sheet at June 30, 1998 (stated at \$159,963).

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had prior year records concerning fixed assets been adequate, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Grant Parish District Four Volunteer Fire Department as of June 30, 1998, and the results of its operations for the twenty-four month period then ended, in conformity with generally accepted accounting principles.



In accordance with Government Auditing Standards, we have also issued a report dated October 29, 1998, on our consideration of the Fire Department's Compliance and Internal Control over Financial Reporting.

  
**DESTRICH & COMPANY**  
Certified Public Accountants

October 29, 1998  
Alexandria, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS**

**JUNE 30, 1988**

	<b>GOVERNMENTAL FUND</b>	<b>ACCOUNT GROUP</b>	<b>TOTAL</b>
	<b>GENERAL FUND</b>	<b>GENERAL FUND ASSETS</b>	<b>(NONCAPITAL ONLY)</b>
<b>ASSETS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$14,071	\$0	\$14,071
Investments	15,371	0	15,371
Accounts receivable	811	0	811
Equipment and fixtures	0	109,963	109,963
Building	0	50,000	50,000
<b>TOTAL ASSETS</b>	<b>\$29,715</b>	<b>\$159,963</b>	<b>\$201,128</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>			
<b>Liabilities</b>			
Accounts payable	\$20	\$0	\$20
<b>Equity and other credits</b>			
Investment in general fixed assets	0	159,963	159,963
<b>Fund balances:</b>			
Designated for equipment	7,980	0	7,980
Unreserved-undesignated	41,815	0	41,815
<b>Total equity and other credits</b>	<b>\$49,795</b>	<b>\$159,963</b>	<b>\$211,258</b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$51,120</b>	<b>\$159,963</b>	<b>\$211,128</b>

The notes to the financial statements are an integral part of this statement.

GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUND TYPES

For the twenty-four month period ended June 30, 1998

	GOVERNMENTAL FUNDS
	GENERAL FUNDS
<b>REVENUES</b>	
Millage tax	120,824
Rural Community Fire Protection Program	1,289
State revenue sharing	1,953
Fire insurance rebate	1,728
Interest income	1,526
Fund status income	408
Donations	8,103
<b>TOTAL REVENUES</b>	<b>135,831</b>
<b>EXPENDITURES</b>	
Audit expense	1,788
Insurance	5,788
Miscellaneous	1,600
Repairs	188
Supplies	358
Training	8
Track, fuel and maintenance	674
Utilities	1,576
Capital outlay	2,758
<b>TOTAL EXPENDITURES</b>	<b>18,718</b>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<b>16,113</b>
<b>FUND BALANCE AT JULY 1, 1996</b>	<b>23,798</b>
<b>FUND BALANCE AT JUNE 30, 1998</b>	<b>10,211</b>

The notes to the financial statements are an integral part of this statement.

**GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES**

For the twelve-month month period ended June 30, 1998

	GENERAL FUND		BANK (UNBUD) BUDGET
	BUDGET	ACTUAL	
<b>REVENUES</b>			
Millage tax	\$16,000	\$16,414	\$4,404
Retail Community Fire Protection Program	1,400	1,299	(1,103)
State revenue sharing	1,600	2,881	157
Fire insurance rebate	4,500	7,730	3,428
Interest income	1,600	1,336	728
Fund sales income	9,400	414	(8,986)
Donations	1,000	8,111	3,112
<b>TOTAL REVENUES</b>	<u>47,500</u>	<u>48,241</u>	<u>158</u>
<b>EXPENDITURES</b>			
Auditing expense	1,400	1,700	(2,300)
Insurance	8,000	6,780	(2,220)
Miscellaneous	1,400	1,611	(707)
Repairs	400	296	(144)
Supplies	300	359	158
Training	3,000	0	(3,000)
Truck fuel and maintenance	2,600	874	(1,726)
Utilities	2,400	1,576	(824)
Capital outlay	1,900	1,708	(1,802)
Debt service:			
Principal	18,000	0	(18,000)
<b>TOTAL EXPENDITURES</b>	<u>47,500</u>	<u>36,731</u>	<u>(10,762)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	0	11,510	11,518
<b>FUND BALANCES AT JULY 1, 1998</b>	<u>25,790</u>	<u>25,790</u>	<u>0</u>
<b>FUND BALANCES AT JUNE 30, 1998</b>	<u>25,790</u>	<u>37,301</u>	<u>11,518</u>

The notes to the financial statements are an integral part of this statement.

## NOTES TO THE FINANCIAL STATEMENTS

**GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT**

**JUNE 30, 1998**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Grant Parish District Four Volunteer Fire Department (The Fire Department) provides fire protection for the citizens of District Four in Grant Parish, Louisiana. The Fire Department operates under a Board of Directors form of government. The following is a summary of certain significant accounting policies and practices.

**Basis of Presentation**

The accompanying financial statements of Grant Parish District Four Volunteer Fire Department 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.

**Reporting Entity**

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestations of this ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. No potential component units were in existence at June 30, 1998, and, therefore, none have been included within the reporting entity.

**GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT**

**JUNE 30, 1998**

**Fund Accounting**

The accounts of Grant Parish District Four Volunteer Fire Department are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fund is the only governmental fund of the Fire Department. It is used to account for all financial resources.

**Basis of Accounting**

The governmental fund is accounted for using the modified accrual basis of accounting. 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.

Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are interest revenues and grants. Fire insurance claims, state revenue sharing, and millage taxes are not susceptible to accrual because generally they are not measurable until received in cash.

**Budgets and Budgetary Accounting**

The Fire Department follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The secretary/treasurer prepares a proposed budget and submits it to the Board of Directors no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

**GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT**

**JUNE 30, 1998**

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Directors prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted.
7. Budgets are used as a means of controlling amounts that can be expended for use in the operations of the Fire Department. The level on which expenditures may legally exceed budgeted amounts is determined by the Board of Directors on an individual expenditure basis in the event an expenditure approaches the budgeted level.

**Encumbrances**

The Fire Department does not record encumbrances in its accounting system.

**Cash and Cash Equivalent and Investments**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalent includes amounts in certificates of deposit with original maturities of 90 days or less. Investments include amounts in certificates of deposit if their original maturities exceed 90 days. Investments are stated at cost.

**Fixed Assets**

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain and infrastructures are not capitalized. Insect costs incurred during construction are capitalized. During the twenty-five month period ended June 30, 1998, no interest has been capitalized for this purpose. 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. A 1996 Ford fire truck donated by the District Five Volunteer Fire Department is stated at fair market value.

**GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT**

**JUNE 30, 1998**

**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.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. This will affect the reported amounts of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these amounts.

**Fund Equity**

Designated fund balances represent initiative plans for future use of financial resources.

**Total Columns on Statements**

The total columns on the statements are captioned *Memorandum Only* to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**1. CASH AND CASH EQUIVALENTS**

At June 30, 1998, the Fire Department had cash and cash equivalents totaling \$18,152 in interest-bearing demand deposits. These deposits are stated at cost, which approximates market. These deposits are insured to Federal Depositary Insurance Corporation limits of \$100,000. At June 30, 1998, the Fire Department had no cash balances which were not collateralized.

GRANT PARISH DISTRICT FOUR  
VOLUNTEER FIRE DEPARTMENT

JUNE 30, 1998

3. **CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance 3/1/98	Additions	Deletions	Balance 6/30/98
Equipment and Furniture	\$ 97,225	\$12,738	\$ 0	\$ 109,963
Building	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
	<u>\$147,225</u>	<u>\$12,738</u>	<u>\$ 0</u>	<u>\$160,963</u>

4. **INVESTMENTS**

At June 30, 1998, the Fire Department had certificates on deposit in the amount of \$15,332. The investment is recorded at cost, which approximates market.

5. **ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES**

No provision has been made for uncollectible receivables since management considers all receivables collectible.



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**Independent Auditor's Report on Compliance and on  
Internal Control over Financial Reporting Based on  
an Audit of the General Purpose Financial Statements  
Performed in Accordance with Government Auditing Standards**

The Board of Directors  
Grant Parish District Four Volunteer  
Fire Department  
Georgetown, Louisiana

We have audited the general purpose financial statements of Grant Parish District Four Volunteer Fire Department as of and for the twenty-four month period ended June 30, 1998, and have issued our report thereon dated October 29, 1998. We conducted our audit in accordance with generally accepted auditing standards and *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.

### Compliance

As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Fire Department's 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 the overall 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 of the general purpose financial statements of Grant Parish District Four Volunteer Fire Department for the twenty-four month period ended June 30, 1998, we considered the Fire Department'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 for the information of management of Grant Parish District Four Volunteer Fire Department. However, this report is a matter of public record and its distribution is not limited.

  
C. S. DREYFUS & COMPANY  
Certified Public Accountants

October 29, 1998  
Alexandria, Louisiana