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WARD 2 FIRE PROTECTION DISTRICT NO. 1 OF MOREHOUSE PARISH  
MOREHOUSE PARISH POLICE JURY  
Berkman, Louisiana

Component Unit Financial Statements  
As of and for the Two Years Ended December 31, 1997

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 06/21/1998

**CAROL M. WILLIS**  
CERTIFIED PUBLIC ACCOUNTANT

RECEIVED  
LEGISLATIVE AUDITOR  
WARD 2 FIRE PROTECTION DISTRICT NO. 1 OF MARSHHOUSE PARISH  
MARSHHOUSE PARISH POLICE NO. 1  
Beckman, Louisiana  
JUN 27 1998

ANNUAL COMPONENT UNIT FINANCIAL STATEMENTS  
As Of and For The Two Years Ended December 31, 1997

Required by Louisiana Revised Statute 24:204 to  
be filed with the Office of the Legislative Auditor  
within 90 days after the close of the fiscal year.

AP772-4777

Personally came and appeared before the undersigned authority, Mr. Hardy Gunter, Board  
Chairman, who, duly sworn, deposes and says that the component unit financial statements  
herewith given present fairly the financial position of Ward 2 Fire Protection District No. 1 of  
Marshhouse Parish as of December 31, 1997, and the results of operations for the year then  
ended, in accordance with generally accepted accounting principles.

Signature

Sworn to and subscribed before me, this 24 day of June, 1998.

NOTARY

TRANSMITTAL LETTER

WARD 2 FIRE PROTECTION DISTRICT No. 1 OF MOREHOUSE PARISH  
ANNUAL FINANCIAL STATEMENTS

6-1-98

(Date)

Office of Legislative Auditor  
Attention: Ms. Dorothy Miller  
1600 North Third  
PO Box 94387  
Baton Rouge, LA 70804-6387

Dear Ms. Miller:

In accordance with Louisiana Revised Statute 24:514, enclosed are the component unit financial statements for Ward 2 Fire Protection District No. 1 of Morehouse Parish, as of and for the year ended December 31, 1997. The report includes all funds under the control and oversight of Ward 2 Fire Protection District No. 1 of Morehouse Parish. The accompanying component unit financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,

Hardy Manter

Officer

RECEIVED  
LEGISLATIVE AUDITOR  
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Receipt Acknowledged  
Legislative Auditor

by Parallel Manter

TRANSMITTAL LETTER

WARD 3 FIRE PROTECTION DISTRICT No. 1 OF MOREHOUSE PARISH  
ANNUAL FINANCIAL STATEMENTS

6-1-98

(Date)

Office of Legislative Auditors  
Attention: Ms. Dorothy Miller  
1800 North Third  
PO Box 94380  
Baton Rouge, LA 70804-9590

RECEIVED  
LEGISLATIVE AUDITORS  
22 JUN 22 09 00:36

Dear Ms. Miller:

In accordance with Louisiana Revised Statute 24:214, enclosed are the component unit financial statements for Ward 3 Fire Protection District No. 1 of Morehouse Parish, as of and for the year ended December 31, 1997. The report includes all funds under the control and oversight of Ward 3 Fire Protection District No. 1 of Morehouse Parish. The accompanying component unit financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,

Hardy Manley

Officer

Receipt Acknowledged  
Legislative Auditor

Dr. Pamela Roman

**CECILE M. WILLIS**  
**CERTIFIED PUBLIC ACCOUNTANT**  
209 Breckenridge Drive  
West Monroe, LA 71222-2149

**MEMBER:**  
American Institute of  
Certified Public Accountants  
Louisiana Society of  
Certified Public Accountants

**TELEPHONE:**  
(504) 396 - 2982

**Independent Auditor's Report**

**BOARD OF COMMISSIONERS**  
Ward 2 Fire Protection District No. 1  
Of Morehouse Parish  
18816 Coussett RD  
Breckman, Louisiana 71228-6287

I have audited the accompanying component unit financial statements of Ward 2 Fire Protection District No. 1, a component unit of the Morehouse Parish Police Jury, as of and for the two years ended December 31, 1997, as listed in the foregoing table of contents. These component unit financial statements are the responsibility of management of the district. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of Ward 2 Fire Protection District No. 1 of Morehouse Parish, as of December 31, 1997, and the results of operations for the two years

WARD 2 FIRE PROTECTION DISTRICT NO. 1 OF MOREHOUSE PARISH  
MOREHOUSE PARISH POLICE JURY  
Bossier, Louisiana

Component Unit Financial Statements  
As of and for the Two Years Ended December 31, 1997

CONTENTS

	Statement	Page No.
Independent Auditor's Report		2 - 3
Component Unit Financial Statements:		
Balance Sheet - December 31, 1996 (All Fund Types and Account Group)	A	4
Governmental Fund		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual - 12/31/97	B	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual - 12/31/96	C	8
Notes to the Financial Statements		7
Schedule of Findings		14 - 15

## STATEMENT A

WARD 1 FIRE PROTECTION DISTRICT NO. 1  
 OF WOODHOUSE PARISH  
 Bossier, Louisiana  
 ALL FUND TYPES AND ACCOUNT GROUP

Balance Sheet, December 31, 1987

	GOVERNMENTAL FUND - GENERAL FUND	ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL (MEMORANDUM) ONLY
<b>ASSETS</b>			
Cash and cash equivalents (note 2)	\$70,316		\$70,316
Receivables - All sales tax	42,873		42,873
Land, building, and equipment (note 4)		\$281,990	\$281,990
<b>TOTAL ASSETS</b>	<b>\$113,189</b>	<b>\$281,990</b>	<b>\$445,179</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities - Accounts payable	\$1,943		\$1,943
Fund Equity:			
Investment in general fixed assets		\$280,000	\$280,000
Fund balance - Unreserved-designated	119,246		119,246
<b>Total Fund Equity</b>	<b>119,246</b>	<b>\$280,000</b>	<b>\$441,796</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$141,189</b>	<b>\$280,000</b>	<b>\$441,189</b>

The accompanying notes are an integral part of this statement.

thus ended, in conformity with generally accepted accounting principles.

In conformity with *Government Auditing Standards*, I have also issued a report dated June 1, 1998 on my consideration of Ward 2 Fire Protection District No. 1 of Warehouse Parish's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

Respectfully submitted

  
Cecil M. Willis  
June 1, 1998



**WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH  
Bossier, Louisiana  
GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (GAAP) Basis and Actual  
For the Year Ended December 31, 2000**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	147,800	147,882	82
State grant		3,880	3,880
Interest earnings	500	7,855	7,355
Other		138	138
Total revenues	147,500	158,755	11,255
<b>EXPENDITURES</b>			
Public Safety - fire protection:			
Administration	4,225	4,460	(235)
Insurance	4,300	8,231	(3,931)
Office supplies and expense	3,200	3,591	(391)
Repairs and maintenance of equipment	13,000	13,915	(915)
Utilities	2,500	3,271	(771)
Upkeep of building and grounds	3,000	3,858	(858)
Training	100	20	80
Capital outlay	14,000	11,799	2,201
Other	800	1,418	(618)
Total expenditures	48,025	48,254	229
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	1,000	12,501	11,501
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	208,471	208,471	
<b>FUND BALANCE AT END OF YEAR</b>	209,471	220,972	11,501

The accompanying notes are an integral part of this statement.

**WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH  
Bossier, Louisiana  
GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (GAAP) Basis and Actual  
For the Year Ended December 31, 1987**

	BUDGET	ACTUAL	VARIANCE (UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	<u>\$47,508</u>	<u>\$51,764</u>	<u>\$4,256</u>
State grant		<u>2,548</u>	<u>2,548</u>
Interest earnings	<u>358</u>	<u>2,332</u>	<u>1,974</u>
Other		<u>3</u>	
Total revenues	<u>47,866</u>	<u>56,647</u>	<u>8,781</u>
<b>EXPENDITURES</b>			
Public Safety - fire protection			
Administration	<u>4,198</u>	<u>2,899</u>	<u>1,299</u>
Insurance	<u>8,420</u>	<u>7,498</u>	<u>922</u>
Office supplies and expense	<u>1,098</u>	<u>2,362</u>	<u>(1,264)</u>
Repairs and maintenance of equipment	<u>4,088</u>	<u>8,794</u>	<u>(4,706)</u>
Utilities	<u>2,098</u>	<u>2,888</u>	<u>(890)</u>
Upkeep of building and grounds	<u>798</u>	<u>2,165</u>	<u>(1,367)</u>
Capital outlay	<u>132,088</u>	<u>89,208</u>	<u>42,880</u>
Other	<u>188</u>	<u>1,488</u>	<u>(1,300)</u>
Total expenditures	<u>137,988</u>	<u>125,894</u>	<u>12,094</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(90,122)</u>	<u>(69,247)</u>	<u>20,875</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>213,483</u>	<u>213,483</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$123,361</u>	<u>\$144,236</u>	<u>\$20,875</u>

The accompanying notes are an integral part of this statement.

**WARD 3 FIRE PROTECTION DISTRICT No. 1  
OF MOREHOUSE PARISH  
Bossier, Louisiana  
Notes to the Financial Statements (Continued)**

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Morehouse Parish Police Jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
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 police jury appoints a majority of the governing board and omission of data relative to Ward 3 Fire Protection District No. 1 of Morehouse Parish could cause the financial statements of the Morehouse Parish Police Jury, reporting entity to be misleading, the district has been determined to be a component unit of the primary government.

**C. FUND ACCOUNTING**

The district uses a fund (General Fund) 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 aggregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The General Fund of the district is classified as a governmental fund. The General Fund accounts 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 and all operating expenditures.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is 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 the

**WARD 2 FIRE PROTECTION DISTRICT NO. 1  
OF MOREHOUSE PARISH  
MOREHOUSE PARISH POLICE JURY  
Berkman, Louisiana**

**Notes to the Component Unit Financial Statements  
As of and for the Two Years Ended December 31, 1997**

**INTRODUCTION**

The Morehouse Parish Police Jury is the governing authority for Morehouse Parish and is a recognized subdivision of the State of Louisiana. Ward 2 Fire Protection District No. 1 of Morehouse Parish is a public agency and a component unit of the Morehouse Parish Police Jury that was established in October 1984. The primary function of the district is to provide fire protection services for residents of the district. The district is governed by a board of commissioners appointed by the Morehouse Parish Police Jury. Members serve five (5) year terms and receive no compensation for their services. The district has no employees. All fire prevention and protection services are provided by volunteers.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying component unit financial statements of Ward 2 Fire Protection District No. 1 of Morehouse Parish 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**

As the governing authority of Morehouse Parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financial 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.

Government Accounting Standards Board Statement No. 14 established criteria for determining which component unit(s) should be considered part of the Morehouse Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

**WARD 2 FIRE PROTECTION DISTRICT No. 1  
OF MOREHOUSE PARISH**

**Beckman, Louisiana**

**Notes to the Financial Statements (Continued)**

accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**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. Public domain or infrastructures are not capitalized. Interest costs incurred during construction is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, except for land which is valued at the fair market value on the date of donation. At December 31, 1993, 99.999 per cent or \$282,998, of fixed assets are valued at actual cost and .000 per cent, or \$218, are valued at estimated fair market value on date of donation.

**I. COMPENSATED ABSENCES**

The district does not have any full-time employees; therefore, it does not have a formal vacation or sick leave policy and does not contribute to the social security system or a pension plan.

**J. LONG-TERM DEBT**

The district has no long-term debt at December 31, 1993. The district has no immediate plans which include long-term debt in the future.

**K. TOTAL COLLUMS ON STATEMENTS**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Nor is such data comparable to a consolidation.

**L. LEVIED TAXES**

The district is authorized to levy a maximum of 8.5 mills on property within the district. The district levied 9.35 mills for the years ended December 31, 1997 and 1998. The tax, originally approved by the district's voters for a period of ten years in May 1984, was renewed for ten additional years October 1, 1994. The tax has an expiration date of December 31, 2004.

**WARD 2 FIRE PROTECTION DISTRICT No. 1  
OF HIBBOURNE PARISH**

**Bossieres, Louisiana**

**Notes to the Financial Statements (Continued)**

General Fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenue and expenditures:

**Revenues**

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected during December of the current year and January and February of the ensuing year.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fiscal liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

**E. BUDGETS**

A budget for the ensuing year is prepared by the district chairman and approved by the board of directors prior to December 31 each year during the board's regular December meeting. Proposed budgets are prepared on the modified basis of accounting. They are legally adopted and amended, when necessary, by the board of commissioners. The board reserves all authority to make changes to budgets. Unexpended appropriations lapse at year end and must be appropriated in the next year's budget to be expended. Neither memorandum accounting nor formal budget integration (within the accounting records) are employed as management control devices. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposit accounts and cash equivalents include amounts in time deposits. The time deposits are stated at cost. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market

**WARD 2 FIRE PROTECTION DISTRICT No. 1  
OF MOREHOUSE PARISH**

**Beckman, Louisiana**

**Notes to the Financial Statements (Continued)**

**6. OTHER SUPPORT**

There are no statutorily required expenditures required by the Morehouse Parish Police Jury on behalf of the fire protection district. Thus, there is no support provided by the police jury that the district receives that is not included in the accompanying financial statements.

**7. RELATED PARTY TRANSACTION**

On August 16, 1986, the district purchased a 1987 Suburban automobile from the wife of board member Gary Stevenson. The purchase price of \$6,580 did not require the advertisement and selection of sealed bids; however, three telephone or facsimile quotes were required. Gary Stevenson abstained from voting on the matter.

**WARD 2 FIRE PROTECTION DISTRICT No. 1  
OF MOREHOUSE PARISH  
Breaux, Louisiana  
Notes to the Financial Statements (Continued)**

**3. CASH AND CASH EQUIVALENTS**

At December 31, 1997, the district has cash and cash equivalents (bank balances) totaling \$118,216 as follows:

Demand deposits	\$ 45,628
Time deposits	<u>72,588</u>

Total Cash and Equivalents \$ 118,216

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. At December 31, 1997, the district has \$118,216 in deposits (collected bank balances) which are secured from risk by \$100,000 of federal deposit insurance and a pledge of securities in the amount of \$18,216 (GASB Category 3).

**4. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets (land, building, and equipment) for the two years ended December 31, 1997, follows:

	Land	Building	Equipment	Total
Balance at January 1, 1996	\$ 210	\$41,304	\$138,740	\$180,254
Additions:				
1997		86,399	2,947	89,346
1996	<u>2,200</u>		<u>5,889</u>	<u>12,289</u>
Balance at December 31, 1997	<u>\$2,410</u>	<u>\$127,693</u>	<u>\$143,527</u>	<u>\$172,630</u>

**5. LITIGATION AND CLAIMS**

There is no litigation pending against Ward 2 Fire Protection District No. 1 of Morehouse Parish at December 31, 1997.



WARD 2 FIRE PROTECTION DISTRICT NO. 1 OF MOREHOUSE PARISH  
MOREHOUSE PARISH POLICE JURY  
Berkeley, Louisiana

SCHEDULE OF FINDINGS

**Compliance With Laws:**

**Non-compliance With Annual Budget Requirements**

Management of Ward 2 Fire Protection District did not make its proposed budgets available to voters in the district prior to adopting the budgets for the years ending December 31, 1997 or December 31, 1996. LRS 39:1381-1514 requires the preparation of an annual budget and making the proposed budget available for inspection by the public prior to official adoption of the budget. The budgets in question were advertised as being available for inspection in January, after adoption in December each year. As a result, voters in the district may have been denied input prior to adoption of the budgets in question.

**Recommendation:**

Management should prepare its preliminary annual budget in November, each year, advertise the proposed budget for inspection by the public, and then adopt the budget in December, prior to the start of the fiscal year.

**Management's Response:**

Management indicated that they were uncertain of the requirement of advertising the proposed budget prior to adoption. They further indicated it was not their intention to deny the voters in the district input in the budget adoption process. They had advertised that the budget had been adopted and was available for inspection and none of the voters had stopped by an expressed any interest in the budget.

**Non-compliance With Louisiana's Public Bid Law**

Management of Ward 2 Fire Protection District No. 1 of Morehouse Parish violated the requirements of LSA-RS 38:2211-2296 A(1)(a) when it purchased a 1987 Suburban for \$6,580 without soliciting three telephone or facsimile quotations as required. This condition occurred when the board of directors did not consult legal counsel about statutory requirements prior to making the purchase. As a result, the district may not have obtained the equipment in question in the most cost efficient manner.

*CECIL M. WILLIS*  
CERTIFIED PUBLIC ACCOUNTANT  
200 Brocktonidge Drive  
West Monroe, LA 71292-2149

MEMBER:  
American Institute of  
Certified Public Accountants  
Louisiana Society of  
Certified Public Accountants

TELEPHONE:  
(318) 386 - 2982

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

I have audited the component unit financial statements of Ward 2 Fire Protection District No. 1 of Morehouse Parish, as of and for the two years ended December 31, 1997, and have issued a report thereon dated June 1, 1998. I conducted my audit in accordance with generally accepted auditing 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 Ward 2 Fire Protection District No. 1 of Morehouse Parish's statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of non-compliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Ward 2 Fire Protection District No. 1 of Morehouse Parish's internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all material 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

**Recommendation:**

Management of the board of directors should familiarize themselves with the requirements of Louisiana's public bid requirements. Additionally, prior to making significant purchases, the members should contact their legal counsel to assure that all requirements of Louisiana's public bid law have been followed.

**Management's Response:**

Management indicated that in the future, prior to making purchases which may require the advertising and soliciting of bids either by sealed bid or the 3 telephone or facsimile quotes they would consult legal counsel. They agreed to make every effort to comply with Louisiana's Public Bid Law.

**Non-compliance With LSA-RS 42.1112**

Management of Ward 1 Fire Protection District No. 1 of Morehouse Parish violated the requirements of LSA-RS 42.1112 when it purchased a 1997 Suburban from the wife of an appointed board member. This violation occurred because members of the board of directors were not aware of the statute and because they did not consult legal counsel about statutory requirements prior to making the purchase. As a result, the district may not have obtained the equipment in question in the most cost efficient manner.

**Recommendation:**

Management of the board of directors should familiarize themselves with the requirements of LSA-RS 42.1112. Also the board, as an appointed body, should institute formal written procedures which preclude purchases from any member of the board member or from members of any board member's immediate family.

**Management's Response:**

Management indicated that in the future they will make every effort to comply with the statute.

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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of board of directors of Ward 2 Fire Protection District No. 1 of Morehouse Parish, the Legislative Auditor for the State of Louisiana and the Morehouse Parish Police Jury. However, this report is a matter of public record and its distribution is not limited.

  
Cecil M. Wilkins  
June 1, 1998