

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

RECEIVED  
LEGISLATIVE AUDITOR  
60 JUN - 5 PM 10:32

**WARD 2 FIRE PROTECTION DISTRICT NO. 1  
A COMPONENT UNIT OF THE MOREHOUSE PARISH POLICE JURY  
MOREHOUSE PARISH, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
AND ACCOUNTANTS' COMPILATION REPORT  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999**

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

Release Date JUN 14 2000

**KENNETH D. FOLDEN & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

302 EIGHTH STREET, JONESBORO, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

**WARD 2 FIRE PROTECTION DISTRICT NO. 1**  
**A Component Unit of the Morehouse Parish Police Jury**  
**Morehouse Parish, Louisiana**

**General Purpose Financial Statements**  
**and Accountants' Compilation Report**  
**As of and for the Year Ended December 31, 1999**

**CONTENTS**

|   | <b>Statement</b> | <b>Page</b>  |
|---|------------------|--------------|
| <b>ACCOUNTANTS' COMPILATION REPORT</b>  |                  | <b>1</b>     |
| <b>Component Unit Financial Statements:</b>   |                  |              |
| <b>Combined Balance Sheet, All Fund Types and Account Groups</b>                    | <b>A</b>         | <b>2</b>     |
| <b>Governmental Fund -</b>  |                  |              |
| <b>Statement of Revenues, Expenditures and Changes in Fund Balances</b>             | <b>B</b>         | <b>3</b>     |
| <b>Notes to the Financial Statements</b>  |                  | <b>4-8</b>   |
| <b>INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING</b><br><b>AGREED-UPON PROCEDURES</b> |                  | <b>9-11</b>  |
| <b>LOUISIANA ATTESTATION QUESTIONNAIRE</b>  |                  | <b>12-13</b> |

# Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members  
Society of Louisiana  
Certified Public Accountants

302 Eighth Street  
Jonesboro, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

Members  
American Institute of  
Certified Public Accountants

## ACCOUNTANTS' COMPILATION REPORT

Hardy Gunter, President  
and Members of the Board of Commissioners  
Ward 2 Fire Protection District No. 1  
15516 Crossett Rd.  
Beckman, LA 71220

We have compiled the accompanying financial statements of the Ward 2 Fire Protection District No. 1, of Morehouse Parish, Louisiana, a component unit of the Morehouse Parish Police Jury, in accordance with standards established by the American Institute of Certified Public Accountants.

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

*Kenneth D. Folden & Co., CPAs*

**KENNETH D. FOLDEN & CO.**  
Certified Public Accountants

Jonesboro, Louisiana  
May 1, 2000

**WARD 2 FIRE PROTECTION DISTRICT NO. 1**  
**Morehouse Parish, Louisiana**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet, December 31, 1999**

| Governmental<br>Fund | Account Groups             |                              | Total<br>(Memorandum<br>Only) |
|----------------------|----------------------------|------------------------------|-------------------------------|
|                      | General<br>Fixed<br>Assets | General<br>Long-term<br>Debt |                               |

**ASSETS AND OTHER DEBITS****Assets:**

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| Cash  | \$ 50,524         | \$                | \$ 50,524         |
| Receivables - Ad valorem taxes                                    | 60,729            |                   | 60,729            |
| Property, plant and equipment                                     |                   | 443,289           | 443,289           |
| Amount to be provided for retirement of<br>general long-term debt |                   |                   | 50,000            |
| <b>TOTAL ASSETS</b>   | <b>\$ 111,253</b> | <b>\$ 443,289</b> | <b>\$ 604,542</b> |

**LIABILITIES, EQUITY AND OTHER CREDITS****Liabilities:**

|                          |              |             |               |
|--------------------------|--------------|-------------|---------------|
| Accounts payable         | \$ 2,662     | \$          | \$ 2,662      |
| Long-term liabilities    |              |             | 50,000        |
| <b>Total liabilities</b> | <b>2,662</b> | <b>NONE</b> | <b>52,662</b> |

**Equity and Other Credits:**

|  |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| Investment in general fixed assets                     |                   | 443,289           | 443,289           |
| Fund balance - unreserved - undesignated               | 108,591           |                   | 108,591           |
| <b>Total fund equity</b>                               | <b>108,591</b>    | <b>443,289</b>    | <b>551,880</b>    |
| <b>TOTAL LIABILITIES, EQUITY<br/>AND OTHER CREDITS</b> | <b>\$ 111,253</b> | <b>\$ 443,289</b> | <b>\$ 604,542</b> |

See Accountants' Compilation Report

**WARD 2 FIRE PROTECTION DISTRICT NO. 1**  
**Morehouse Parish, Louisiana**  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**Statements of Revenues, Expenditures**  
**And Changes in Fund Balances**  
**For the Year Ended December 31, 1999**

Statement B

|  | BUDGET    | ACTUAL     | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|-----------|------------|--|
| <b>REVENUES</b>  |           |            |  |
| Property taxes   | \$ 55,000 | \$ 61,302  | \$ 6,302                               |
| Intergovernmental -<br>Fire insurance premium rebate                                       |           | 2,713      | 2,713                                  |
| Interest   | 2,000     | 2,813      | 813                                    |
| Total revenues   | 57,000    | 66,828     | 9,828                                  |
| <b>EXPENDITURES</b>  |           |            |  |
| General government - elections   |           | 1,111      | (1,111)                                |
| Public safety  |           |            |  |
| Advertising  | 300       | 320        | (20)                                   |
| Insurance  | 7,500     | 7,573      | (73)                                   |
| Legal and accounting   | 1,400     | 1,400      |  |
| Office supplies  | 900       | 857        | 43                                     |
| Statutory deductions   | 1,814     | 1,887      | (73)                                   |
| Telephone and utilities  | 3,660     | 3,824      | (164)                                  |
| Upkeep of building and grounds   | 1,750     | 1,922      | (172)                                  |
| Repairs and maintenance of equipment   | 23,000    | 22,757     | 243                                    |
| Capital outlay   | 100,000   | 156,965    | (56,965)                               |
| Miscellaneous  | 5,700     | 3,736      | 1,964                                  |
| Training   | 200       | 184        | 16                                     |
| Total expenditures   | 146,224   | 202,536    | (56,312)                               |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>EXPENDITURES</b>                               | (89,224)  | (135,708)  | (46,484)                               |
| <b>OTHER FINANCING SOURCES (USES)</b>  |           |            |  |
| Proceeds of certificates of indebtedness   |           | 50,000     | 50,000                                 |
| Total other financing sources (uses)   | NONE      | 50,000     | 50,000                                 |
| <b>EXCESS OF REVENUES AND OTHER FINANCING<br/>SOURCES OVER EXPENDITURES AND OTHER USES</b> | (89,224)  | (85,708)   | 3,516                                  |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>   | 134,354   | 194,299    | 59,945                                 |
| <b>FUND BALANCE AT END OF YEAR</b>   | \$ 45,130 | \$ 108,591 | \$ 63,461                              |

See Accountants' Compilation Report

**WARD 2 FIRE PROTECTION DISTRICT NO. 1  
MOREHOUSE PARISH, LOUISIANA  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 1999**

**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 five (5) 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying 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**

As the governing authority of the parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity for Morehouse Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 Morehouse Parish Police Jury 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 includes:

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 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.

**WARD 2 FIRE PROTECTION DISTRICT NO. 1**  
**Morehouse Parish, Louisiana**  
**Notes to the Financial Statements (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. REPORTING ENTITY**

Because the police jury approves the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the District was determined to be a component unit of the Morehouse Parish Police Jury, 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 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 a fund and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

Funds of the District are classified into one category: governmental. This category is divided into one fund type. A description of this fund classification and the fund type follows:

**Governmental Funds**

Governmental funds account for all of the District's general activities, including the collection and disbursement of specific or legally restricted monies, acquisition or construction of general fixed assets, and the servicing of general long-term obligations. The governmental fund of the Ward 2 Fire Protection District No. 1 is the:

**General Fund--the general operating fund of the District and accounts for all financial resources. The District has no financial resources which require separate fund accounting.**

**D. BASIS OF ACCOUNTING**

The accounting and financial treatment applied to a fund is determined by its measurement focus. All 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 all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes are assessed on a calendar year basis by the Tax Assessor of Morehouse Parish. The Morehouse Parish Tax Collector sends notices to property owners in either September or October. Taxes are due from property owners upon receipt of notice. Billed taxes become delinquent on December 31 of the current year. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. The taxes are generally collected in December of the current year and January and February of the ensuing year.

**WARD 2 FIRE PROTECTION DISTRICT NO. 1**  
**Morehouse Parish, Louisiana**  
**Notes to the Financial Statements (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. BASIS OF ACCOUNTING (CONTINUED)**

Revenues

Ad valorem taxes are collected by the Morehouse Parish Tax Collector and remitted to Ward 2 Fire Protection District No. 1. Therefore, amounts received during the current period are recognized as revenue; amounts collected by the Tax Collector during the current period and received by the District within 60 days of year end are recorded as a receivable.

Intergovernmental revenues are recorded when the District is entitled to the funds. Substantially all other revenues are recorded when received.

Expenditures

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

**E. BUDGET PRACTICES**

A budget was prepared on a basis consistent with generally accepted accounting principles (GAAP). The budget was made available for public inspection at the time of adoption. The Board of Commissioners must meet and approve all budget changes or amendments. At year end, all appropriations lapse. Budget amounts for the year ended December 31, 1999, are as originally adopted and all subsequent amendments.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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 and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. The District has no investments at December 31, 1999.



**WARD 2 FIRE PROTECTION DISTRICT NO. 1**

**Morehouse Parish, Louisiana**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**II. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are 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 cost if historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date of donation.

**I. COMPENSATED ABSENCES**

There are no accumulated and vested benefits relating to vacation and sick leave as the District has no full-time employees.

**J. LONG-TERM DEBT**

Long-term obligations expected to be financed from the governmental fund 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 fund when due.

**K. TOTAL COLUMNS OF COMBINED STATEMENTS**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. LEVIED TAXES**

The district is authorized to levy 9.12 mills on property within the district. The district levied 9.35 mills for the year ended December 31, 1999. The tax, originally approved by the district's voters for a period of ten years in May, 1984, was renewed for ten additional years on October 1, 1994. The tax has an expiration date of December 31, 2004.

**3. CASH AND CASH EQUIVALENTS**

At December 31, 1999, the District has cash and cash equivalents (book balances) totaling \$50,524, as follows:

|                 |    |               |
|-----------------|----|---------------|
| Demand deposits | \$ | 4,496         |
| Time deposits   |    | <u>46,028</u> |
| Total           | \$ | <u>50,524</u> |

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, 1999, the District has \$50,540 in deposits (collected bank balances). These deposits are secured from risk by \$50,540 of federal deposit insurance.

**WARD 2 FIRE PROTECTION DISTRICT NO. 1**  
**Morehouse Parish, Louisiana**  
**Notes to the Financial Statements (Continued)**

**4. FIXED ASSETS**

The changes in general fixed assets follows:

|                         | Balance<br>January 1, 1999 | Additions         | Deletions   | Balance<br>December 31, 1999 |
|-------------------------|----------------------------|-------------------|-------------|------------------------------|
| Land                    | \$ 2,710                   |                   |             | \$ 2,710                     |
| Buildings               | 127,663                    |                   |             | 127,663                      |
| Furniture and equipment | 155,951                    | 156,965           |             | 312,916                      |
| Total                   | <u>\$ 286,324</u>          | <u>\$ 156,965</u> | <u>NONE</u> | <u>\$ 443,289</u>            |

**5. LONG-TERM DEBT**

On February 16, 1999, the District purchased certificates of indebtedness from Hibernia Bank for the purpose of purchasing equipment. All principal and interest requirements are funded by the annual ad valorem tax levied on taxable property within the District. The certificates of indebtedness have an interest rate of 5.01% per annum. The first payment is due on February 16, 2000 and the final payment is due on February 16, 2002. The following is a summary of the long-term debt transactions relating to the certificates of indebtedness for the year ended December 31, 1999.

|                              |    |               |
|------------------------------|----|---------------|
| Balance at January 1, 1999   | \$ | NONE          |
| Additions                    |    | 50,000        |
| Payments                     |    | <u>NONE</u>   |
| Balance at December 31, 1999 | \$ | <u>50,000</u> |

The annual requirements to amortize the certificates of indebtedness as of December 31, 1999, including interest payments of \$5,060, are as follows:

| Year Ending | Principal        | Interest        | Total            |
|-------------|------------------|-----------------|------------------|
| 2000        | \$ 16,000        | \$ 2,505        | \$ 18,505        |
| 2001        | 17,000           | 1,703           | 18,703           |
| 2002        | 17,000           | 852             | 17,852           |
| Total       | <u>\$ 50,000</u> | <u>\$ 5,060</u> | <u>\$ 55,060</u> |

**6. PENSION PLANS AND POST-RETIREMENT BENEFITS**

The District does not participate in any pension or retirement plans. The District does not have any post-retirement benefits.

**7. LITIGATION**

The District is not involved in any litigation at December 31, 1999.

# Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members  
Society of Louisiana  
Certified Public Accountants

302 Eighth Street  
Jonesboro, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

Members  
American Institute of  
Certified Public Accountants

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Hardy Gunter, President  
and Members of the Board of Commissioners  
Ward 2 Fire Protection District No. 1  
15516 Crossett Rd.  
Beckman, LA 71220

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Ward 2 Fire Protection District No. 1 of Morehouse Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Ward 2 Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 1999, included in the accompanying Louisiana Attestation Questionnaire. 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 \$7,500, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

One expenditure was made during the year for materials and supplies exceeding \$7,500 and no expenditure was made for public works exceeding \$100,000. We examined documentation which indicated that this expenditure had been properly advertised and accepted in accordance with the provisions of LSA-RS 38:2211-2251.

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

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (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.

The Ward 2 Fire Protection District No. 1 has no employees.

4. Determine whether any of those 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 (2) as immediate family members.

As stated in procedure (3), the district has no employees.

#### Budgeting

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

Management provided us with a copy of the original budget. The budget was amended once during the year.

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 December 17, 1998, which indicated that the budget had been approved by all of the commissioners. We traced the amendments to the minutes of a meeting held on December 31, 1999, which indicated that the amended budget had been approved by the commissioners.

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. Actual revenues and expenditures for the year did exceed budgeted amounts by more than 5%.

#### Accounting and Reporting

8. Randomly select six 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 found that 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

The six selected disbursements were properly coded to the correct fund and general ledger account.

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

The six selected disbursements were traced to the District's minutes where they were approved by the commissioners.

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Ward 2 Fire Protection District No. 1 is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management has informed us that these documents were being properly posted.

Debt

10. 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 copies of all bank deposit slips for the period under examination and noted one deposit which appeared to be proceeds of bank loans, bonds, or like indebtedness. We examined documentation which indicated that approval had been obtained from the State Bond Commission prior to issuing the certificates of indebtedness.

Advances and Bonuses

11. 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.

As stated in procedure (3), the district has no employees. A reading of the minutes of the district for the year indicated no approval for the payments noted.

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 the Ward 2 Fire Protection District No. 1 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.

*Kenneth D. Folden & Co., CPAs*

**KENNETH D. FOLDEN & CO.**  
Certified Public Accountants

Jonesboro, Louisiana  
May 1, 2000

LOUISIANA ATTESTATION QUESTIONNAIRE

MARCH 7, 2000 Date

KENNETH D. FOLDEN & CO., CPAs  
302 Eight Street  
Jonesboro, LA 71251  
(Auditors)

In connection with your compilation of our financial statements as of DECEMBER 31, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 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 regulation 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 MARCH 7, 2000 (date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, 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 42:1101-1124.

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 42:1119.

Yes [] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [] No [ ]

**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, 44:31, and 44:36.

Yes [] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.  
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 90 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 VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.  
Yes [] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.  
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.

|                          |           |               |      |
|--------------------------|-----------|---------------|------|
| _____                    | Secretary | _____         | Date |
| <i>Harvey Sturtevant</i> | Treasurer | <i>3-7-00</i> | Date |
| <i>Harold Hunter</i>     | President | <i>3-7-00</i> | 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.

# Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members  
Society of Louisiana  
Certified Public Accountants

302 Eighth Street  
Jonesboro, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

Members  
American Institute of  
Certified Public Accountants

**Hardy Gunter, President**  
and Members of the Board of Commissioners  
Ward 2 Fire Protection District No. 1  
15516 Crossett Rd.  
Beckman, LA 71220

In performing our compilation with attestation engagement of the financial statements of the Ward 2 Fire Protection District No. 1, as of and for the year ended December 31, 1999, part of the agreed-upon procedures included a review of the prior year suggestions, recommendations, and/or comments and the extent to which such matters have been resolved.

During our engagement, as of and for the year ended December 31, 1999, we became aware of a certain matter involving the internal control structure and noncompliance with laws that were opportunities for strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes our comments regarding the current status of that matter.

Sincerely,



Kenneth D. Folden & Co, CPAs  
May 1, 2000



**Current Year's Findings:**

**(1) For the year ended December 31, 1999, the District failed to adequately amend the budgeted expenditures of its General Fund. Failure to adequately amend the budgeted expenditures resulted in the actual expenditures exceeding the budgeted expenditures by more than five percent. Louisiana Revised Statute 39:1310 requires that amendments shall be made whenever actual expenditures are exceeding budgeted expenditures by five percent or more.**

**We recommend that the District comply with Louisiana Revised Statute 39:1310.**

**In a letter dated May 11, 2000, the management of the District responded by stating that they agreed with the above finding. The District did amend their 1999 budget but failed to adequately amend their budgeted expenditures which resulted in the actual expenditures exceeding budgeted expenditures by more than five percent. In the future, the budgeted expenditures will be monitored closer.**

**Prior Year's Findings:**

**The current status of the finding in the prior year engagement as follows:**

**Schedule of Findings:**

- 1. Actual expenditures exceeded budgeted expenditures - As stated above, a repeat comment has been made.**
- 2. Budget adoption - The 1999 budget was adopted within the proper time frame. This finding is considered cleared.**
- 3. Approval of disbursements was not being recorded in the Minutes - The current year's Minutes did indicate approval of disbursements. This finding is considered cleared.**

**WARD 2 FIRE DISTRICT 1**  
**BEEKMAN VOLUNTEER FIRE DISTRICT**

15516 Crossett Road  
Bastrop, LA 71220

RECEIVED  
LEGISLATIVE AUDIT  
00 JUN -6 PM 9:36

May 11, 2000

Dr. Daniel Kyle, Secretary  
Legislative Audit Advisory Council  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Below is our response to the management letter dated May 1, 2000, by Kenneth D. Folden & Co., CPAs regarding the Ward 2 Fire Protection District #1 of Morehouse Parish.

- 1) Finding - For the year ending December 31, 1999, the Ward 2 Fire Protection District #1 of Morehouse Parish did not adequately amend its budgeted expenditures as required by Louisiana Revised Statute 39:1310.

Response - We agree with the finding; this was an oversight on our part. Although our 1999 budget was amended, we failed to amend it adequately. In the future, we will monitor our budgeted expenditures closer.

Should you need any additional information, please contact me.

Sincerely,

*Hardy Gunter*

Hardy Gunter, President  
Ward 2 Fire Protection District #1  
of Morehouse Parish