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MANGHAM FIRE PROTECTION DISTRICT NO. 4  
RICHLAND PARISH POLICE JURY  
Mangham, Louisiana

Component Unit Financial Statements  
As of and for the Year Ended  
June 30, 1999

**Karen M Hollis, CPA**

611 Madeline Street  
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Rayville, Louisiana 71269  
(318) 728-6588

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 2-2-00

**MANGHAM FIRE PROTECTION DISTRICT      4**  
**RICHLAND PARISH POLICE JURY**  
Mangham, Louisiana

Component Unit Financial Statements  
As of and for the Year Ended June 30, 19  
With Supplemental Information Schedules

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KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

BOARD OF COMMISSIONERS  
MANGHAM FIRE PROTECTION DISTRICT NO. 4  
RICHLAND PARISH POLICE JURY  
Mangham, Louisiana

I have audited the accompanying component unit financial statements of the Mangham Fire Protection District No. 4, a component unit of the Richland Parish Police Jury, as of and for the year ended June 30, 1999, as listed in the Table of Contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the United States Department of Agriculture Audit Program, December, 1989. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mangham Fire Protection District No. 4, a component unit of the Richland Parish Police Jury, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 17, 2000, on my consideration of Mangham Fire Protection District No. 4's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Rayville, Louisiana  
January 17, 2000

**MANGHAM FIRE PROTECTION DISTRICT NO. 4  
RICHLAND PARISH POLICE JURY  
Mangham, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS**

**Balance Sheet, June 30, 1999**

	GOVERNMENTAL FUNDS	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
Cash and cash equivalents	\$27,629	\$	\$	\$27,629
Receivables	8,100			8,100
Land, buildings, and equipment		597,509		597,509
Other Debits:				
Amount to be provided for retirement of general long-term obligations			409,386	409,386
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$35,729</b>	<b>\$597,509</b>	<b>\$409,386</b>	<b>\$1,042,624</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>				
Liabilities:				
Accounts payable	\$198	\$	\$	\$198
General obligation bonds payable			409,386	409,386
<b>Total Liabilities</b>	<b>198</b>		<b>409,386</b>	<b>409,584</b>
Equity and Other Credits:				
Investment in general fixed assets		597,509		597,509
Fund balances:				
Reserved for debt service	19,473			19,473
Unreserved - undesignated	16,058			16,058
<b>Total Equity and Other Credits</b>	<b>35,531</b>	<b>597,509</b>		<b>633,040</b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$35,729</b>	<b>\$597,509</b>	<b>\$409,386</b>	<b>\$1,042,624</b>

The accompanying notes are an integral part of these financial statements.  
See the auditor's report.

**MANGHAM FIRE PROTECTION DISTRICT NO. 4  
RICHLAND PARISH POLICE JURY  
Mangham, Louisiana  
GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1999**

	GENERAL FUND	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>		
Parcel Fees	\$79,300	\$79,300
Intergovernmental revenues:		
Parish police jury-2% fire insurance rebate	4,178	4,178
Interest earnings	932	932
Miscellaneous	2,287	2,287
Refunds	(438)	(438)
Total revenues	\$86,259	\$86,259
<b>EXPENDITURES</b>		
Public Safety:		
Fuel	\$465	\$465
Insurance	10,773	10,773
Legal and accounting	6,388	6,388
Office supplies	670	670
Repairs and maintenance	3,114	3,114
Supplies	2,070	2,070
Taxes	128	128
Telephone	1,170	1,170
Training	492	492
Utilities	3,250	3,250
Capital Outlay	1,734	1,734
Debt service:		
Principal	23,176	23,176
Interest	22,958	22,958
Total expenditures	\$76,388	\$76,388
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	9,871	9,871
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>	25,660	25,660
<b>FUND BALANCES (Deficit) AT END OF YEAR</b>	\$35,531	\$35,531

The accompanying notes are an integral part of these financial statements.  
See the auditor's report.

**MANGHAM FIRE PROTECTION DISTRICT NO. 4  
 RICHLAND PARISH POLICE JURY  
 Mangham, Louisiana  
 GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures,  
 and Changes in Fund Balance - Budget  
 (GAAP Basis) and Actual  
 For the Year Ended June 30, 1999**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Parcel Fees	\$75,500	\$79,300	\$3,800
Intergovernmental revenues:			
Parish police jury-2% fire insurance rebate	4,000	4,178	178
Interest earnings	1,000	932	(68)
Miscellaneous	0	2,287	2,287
Refunds	0	(438)	(438)
Total revenues	<u>\$80,500</u>	<u>\$86,259</u>	<u>\$5,759</u>
<b>EXPENDITURES</b>			
Public safety:			
Fuel	1,000	465	535
Insurance	10,000	10,773	(773)
Legal and accounting	2,700	6,388	(3,688)
Office supplies	0	670	(670)
Rent	1	0	1
Repairs and maintenance	6,000	3,114	2,886
Supplies	4,000	2,070	1,930
Taxes	0	128	(128)
Telephone	0	1,170	(1,170)
Training	0	492	(492)
Utilities	3,500	3,250	250
Capital Outlay	2,500	1,734	766
Debt service:			
Principal	25,400	23,176	2,224
Interest	25,400	22,958	2,442
Total expenditures	<u>80,501</u>	<u>76,388</u>	<u>4,113</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(1)	9,871	9,872
<b>FUND BALANCE (Deficit) AT BEGINNING OF YEAR</b>	25,660	25,660	0
<b>FUND BALANCE (Deficit) AT END OF YEAR</b>	<u>\$25,659</u>	<u>\$35,531</u>	<u>\$9,872</u>

The accompanying notes are an integral part of these financial statements.  
 See the auditor's report.

**MANGHAM FIRE PROTECTION DISTRICT NO. 4**  
**RICHLAND PARISH POLICE JURY**  
Mangham, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 1999

**INTRODUCTION**

Mangham Fire Protection District No. 4 was created by resolution of the Richland Parish Police Jury in July, 1992, for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people included in the district according to the boundaries set by the Richland Parish Police Jury. The district is governed by a board of commissioners consisting of five members. The commissioners are appointed by the Richland Parish Police Jury and receive no compensation for their services. The district has no employees.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying component unit financial statements of the Mangham Fire Protection District No. 4 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 Richland Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the district because it appoints 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 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 available financial resources.

**MANGHAM FIRE PROTECTION DISTRICT NO. 4**  
**RICHLAND PARISH POLICE JURY**  
Rayville, Louisiana  
Notes to the Financial Statements (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 of 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.

**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 governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Parcel fees are assessed on a calendar year basis, become due on November 1 of each year, and become delinquent on January 1. The taxes are recorded in the year they are assessed. The taxes are generally collected in December of the current year and January and February of the ensuing year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Interest income on deposits is recorded when credited by the bank.

Substantially all other revenues are recorded when they become available to the district.

**Expenditures**

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

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



**E. BUDGETS**

The district uses the following budget practices:

Preliminary budgets for the ensuing year are prepared during April of each year. The Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the May meeting. All annual appropriations lapse at year end.

The budget comparison statement included in the accompanying financial statements presents the adopted budget (GAAP basis) as no amendments were made during the year. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

**F. ENCUMBRANCES**

The district does not use the encumbrance system in its record keeping.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. 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, 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. Public domain or infrastructures are capitalized. Interest costs incurred during construction are capitalized. 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.

**I. COMPENSATED ABSENCES**

The district does not have any full time employees; therefore, it does not have a formal vacation or sick leave policy.

**J. LONG-TERM OBLIGATIONS**

**MANGHAM FIRE PROTECTION DISTRICT NO. 4**  
**RICHLAND PARISH POLICE JURY**  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

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.

**K. FUND EQUITY**

**Reserves**

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

**Designated Fund Balances**

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

**L. 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.

**2. LEVIED TAXES**

The district is authorized to levy a parcel fee not to exceed \$100 annually on property within the district for maintenance and operation of the district. The fee may be collected at the same time as ad valorem taxes and the fee expires in 2017.

**3. CASH AND CASH EQUIVALENTS**

At June 30, 1999, the district has cash and cash equivalents (book balances) totaling \$27,629 as follows:

Demand deposits	\$8,156
Interest bearing demand deposits	19,473
	<hr/>
Total	<u>\$27,629</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

**MANGHAM FIRE PROTECTION DISTRICT NO. 4**  
**RICHLAND PARISH POLICE JURY**  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

bank that is mutually acceptable to both parties. At June 30, 1999, the district has \$27,739 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance.

**5. RECEIVABLES**

The following is a summary of receivables at June 30, 1999:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Total</u>
Parcel Fees	\$8,100	\$8,100
Total	<u>\$8,100</u>	<u>\$8,100</u>

The receivable account represents delinquent accounts for the prior years plus any unpaid current year parcel fees as of June 30, 1999. No allowance for uncollectibles is maintained.

**6. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Balance 01-Jul 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 30-Jun 1999</u>
Land	\$7,181	\$	\$	\$7,181
Buildings	140,245			140,245
Trucks & Equipment	403,348	1,735		405,083
Donated Equipment	45,000			45,000
Total	<u>\$595,774</u>	<u>\$1,735</u>	<u>\$</u>	<u>\$597,509</u>

**7. PENSION PLAN**

The district has no employees, therefore, it does not have a pension plan of its own.

**8. LEASES**

The District lease the Fire Station #1 from the Town of Mangham for \$1 per year.

**MANGHAM FIRE PROTECTION DISTRICT NO. 4**  
**RICHLAND PARISH POLICE JURY**  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

**9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

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

	<u>Debt</u>	<u>Total</u>
Long-term obligations payable at July 1, 1998	\$432,562	\$432,562
Additions		
Deductions	<u>23,176</u>	<u>23,176</u>
Long-term obligations payable at June 30, 1999	<u>\$409,386</u>	<u>\$409,386</u>

On January 30, 1995, the District issued two Parcel Fee Bonds totaling \$476,000 at an interest rate of 5.25%. The following schedule outlines the bond details and repayment information:

Bond R-1: Principal of \$119,000 with twenty-two annual payments. The first payment on January 31, 1996 was for interest only. The remaining annual payments of \$9,477 will consist of principal and interest.

Bond R-2: Principal of \$357,000 with fifteen annual payments. The first payment on January 31, 1996 was for interest only. The remaining annual payments of \$36,646 will consist of principal and interest.

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
June 30, 2000	24,639	21,484	46,123
June 30, 2001	25,933	20,190	46,123
June 30, 2002	27,294	18,829	46,123
June 30, 2003	28,727	17,396	46,123
June 30, 2004	30,235	15,888	46,123
June 30, 2005-2017	<u>272,558</u>	<u>71,020</u>	<u>343,578</u>
Totals	<u>409,386</u>	<u>164,807</u>	<u>574,193</u>

**10. LITIGATION AND CLAIMS**

The district is not aware of any lawsuits or possible threats of any lawsuits at June 30, 1999.

**11. YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the district's operations as early as fiscal year 1999.

Mangham Fire Protection District No. 4 is aware of the potential problems of year 2000 but has not inventoried any electronic equipment that may be affected by the year 2000 issue and that

**MANGHAM FIRE PROTECTION DISTRICT NO. 4**  
**RICHLAND PARISH POLICE JURY**  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

are necessary to conducting the district's operations. As of June 30, 1999, the district does not use computers and the only other electronic devices used are the radios. At this time a phone call to the radio provider will determine the next step if any to be required. The receivables and also the books are kept with a manual system.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the district is or will be Year 2000 ready, that the district's remediation efforts will be successful in whole or in part, or that parties with whom the district does business will be year 2000 ready.

**MANGHAM FIRE PROTECTION DISTRICT NO. 4  
RICHLAND PARISH POLICE JURY  
Mangham, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended June 30, 1999**

**COMPENSATION PAID BOARD MEMBERS**

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

**PRIOR AUDIT FINDINGS**

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 2).

**CURRENT AUDIT FINDINGS**

The corrective action plan for current year audit findings is presented in Schedule 3.

MANGHAM FIRE PROTECTION DISTRICT NO. 4  
RICHLAND PARISH POLICE JURY  
Mangham, Louisiana

Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 1999

<u>NAME</u>	<u>AMOUNT</u>
Gary Piro, Chairman	\$0
John Landers	0
Samuel Duchesne	0
Fred Douciere	0
Royce Lowery	0
	<hr/>
Total	<u>\$0</u>

**MANGHAM FIRE PROTECTION DISTRICT NO. 4  
 RICHLAND PARISH POLICE JURY  
 Mangham, Louisiana**

**Summary Schedule of Prior Audit Findings  
 For the Year Ended June 30, 1999**

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
<b>Section I - Internal Control and Compliance Material to the Financial Statements:</b>				
98-01	06/30/1998	Actual revenues exceeded budgeted 5%	Yes	
<b>Section II - Internal Control and Compliance Material Federal Awards:</b>				
<b>Section III - Management Letter &amp; Agreed-Upon Procedures Report:</b>				
98-02	06/30/1998	Invoice missing for reimbursement of expenses	Yes	



MANGHAM FIRE PROTECTION DISTRICT NO. 4  
 RICHLAND PARISH POLICE JURY  
 Mangham, Louisiana

Corrective Action Plan for  
 Current Year Audit Findings  
 For the Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
Section I - Internal Control and Compliance Material to the Financial Statements:				
99-01	Limited segregation of duties	None-Not Cost Effective	Gary Piro	N/A
99-02	Report not submitted by December 31, 1999	Turn report in on time	Gary Piro	December, 2000
Section II - Internal Control and Compliance Material to Federal Awards:				



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  
Mangham Fire Protection District No. 4  
Richland Parish Police Jury  
Mangham, Louisiana

I have audited the financial statements of Mangham Fire Protection District No. 4, a component unit of the Richland Parish Police Jury, as of and for the year ended June 30, 1999, and have issued my report thereon dated January 17, 2000. 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.

Compliance

As part of obtaining reasonable assurance about whether Mangham Fire Protection District No. 4's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of corrective action plan for current year audit findings as item 99-02.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Mangham Fire Protection District No. 4's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operations that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Mangham Fire Protection District No. 4's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of corrective action plan for current year audit findings as item 99-01.

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item 99-01 to be a material weakness.

This report is intended solely for the information and use of the board of commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Rayville, Louisiana  
January 17, 2000