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MEMORANDUM FOR FILE

WARD 3 FIRE PROTECTION DISTRICT  
A COMPONENT UNIT OF THE JACKSON PARISH POLICE JURY  
JACKSON PARISH, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
AND ACCOUNTANTS' COMPILATION REPORT  
AS OF AND FOR THE YEAR 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 MAY 0 1 1998

KENNETH D. FOLDEN & CO.  
CERTIFIED PUBLIC ACCOUNTANTS

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**WARD 3 FIRE PROTECTION DISTRICT**  
**A Component Unit of the Jackson Parish Police Jury**  
**Jackson Parish, Louisiana**

**General Purpose Financial Statements**  
**and Accountants' Compilation Report**  
**As of and for the Year Ended December 31, 1997**

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**ACCOUNTANTS' COMPILATION REPORT**

Danny Ford, Chairman  
and Members of the Board of Commissioners  
Ward 3 Fire Protection District  
P. O. Box 128  
Charlton, LA 71218

We have compiled the accompanying general purpose financial statements of the Ward 3 Fire Protection District, Jackson Parish, Louisiana, a component unit of the Jackson 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 assurance on them.

  
KENNETH B. FOLDS & CO.  
Certified Public Accountants

Jennifers, Louisiana  
June 21, 1998

WARD 3 FIRE PROTECTION DISTRICT  
Jackson Parish, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS  
Combined Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE - GENERAL FUND		ACCOUNT GROUP	TOTAL (UNREORGANIZED)
			GENERAL FUND TYPES	(DOLLARS)
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$	141,516	\$	141,516
Accounts receivable -				
Ad valorem taxes		26,477		26,477
Land, plant, and equipment			162,589	162,589
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>168,003</b>	<b>\$</b>	<b>331,592</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities -</b>				
Accounts payable	\$	1,816	\$	1,816
<b>Equity:</b>				
Investment in general fixed assets			162,589	162,589
Fund balance -				
Unreserved - unobligated		167,967		167,967
<b>Total Equity</b>		167,967	162,589	331,556
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$</b>	<b>169,883</b>	<b>\$</b>	<b>331,592</b>

See Accountants' Compilation Report

**WARD 3 FIRE PROTECTION DISTRICT**  
**Jackson Parish, Louisiana**  
**GOVERNMENTAL FUND-TYPE - GEN FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property taxes	\$ 28,928	\$ 28,336	\$ 408
Intergovernmental - Police Jury grants	5,791	5,791	
Interest	4,804	4,642	118
Contributions	383	513	138
<b>Total revenues</b>	<b>\$ 39,906</b>	<b>\$ 39,282</b>	<b>\$ 624</b>
<b>Expenditures:</b>			
<b>Current</b>			
<b>Public safety:</b>			
Repairs and maintenance	\$ 345	\$ 389	\$ (44)
Radio system maintenance	1,498	1,636	84
Statutory deductions	3,199	3,286	(87)
Insurance	3,558	3,297	261
Training	1,046	1,046	
Legal and accounting	750	750	
Fuel	288	169	88
Telephone and utilities	383	381	24
Miscellaneous	198	126	62
Capital outlay	4,878	4,133	745
<b>Total expenditures</b>	<b>\$ 15,141</b>	<b>\$ 14,881</b>	<b>\$ 1,847</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>24,494</b>	<b>24,187</b>	<b>1,699</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>136,392</b>	<b>141,789</b>	<b>23,892</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 160,886</b>	<b>\$ 165,976</b>	<b>\$ 27,878</b>

See Accountants' Compilation Report

**WARD 3 FIRE PROTECTION DISTRICT**  
**Jackson Parish, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 1997**

**INTRODUCTION**

The Ward 3 Fire Protection District of Jackson Parish is located in the eastern portion of Jackson Parish in northeast Louisiana. As provided by Louisiana Revised Statute 48:1495, the District is governed by a Board of Commissioners consisting of five members: two members are appointed by the Jackson Parish Police Jury; two members are appointed by the mayor and board of aldermen of Challem, Louisiana; and one member who serves as chairman, is elected by the four appointed board members. Commissioners are residents of the District and serve staggered one and two year terms. The members of the Board of Commissioners do not receive compensation.

The District was created to provide safety for the prevention and control of fires within the approximate 147 square mile area of the District. The District has acquired land, buildings, and equipment in the effort to achieve its goals. Residents of the district serve as volunteer firemen.

**I. 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 Jackson Parish Police Jury is the financial reporting entity for Jackson 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 Jackson 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 3 FIRE PROTECTION DISTRICT**  
**Jackson Parish, Louisiana**  
**Notes to the Financial Statements (Continued)**

**B. REPORTING ENTITY (Continued)**

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 Jackson 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 as 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, and acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

- **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 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**

All ad valorem taxes are assessed on a calendar year basis by the Tax Assessor of Jackson Parish. The Jackson Parish Tax Collector sends notices to property owners in either September or October. Taxes are due from property owners upon receipt of notice. Diligent 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 3 FIRE PROTECTION DISTRICT**  
**Jackson Parish, Louisiana**  
**Notes to the Financial Statements (Continued)**

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

**Revenues (Continued)**

All various taxes are collected by the Jackson Parish Tax Collector and remitted to the Ward 3 Fire Protection District. Therefore, amounts received during the current period are recognized as revenue; and amounts collected by the Tax Collector during the current period and remitted by the District within 60 days after December 31 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. BUDGETS**

Budget was prepared on a basis consistent with generally accepted accounting principles (GAAP). 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, 1997, are as amended.

**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 and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash and cash equivalents of the District include an interest-bearing demand deposit and a time deposit. 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.

**H. 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 gross 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 market 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 employees.



**WARD 5 FIRE PROTECTION DISTRICT**  
**Jackson Parish, Louisiana**  
**Notes to the Financial Statements (Continued)**

**3. 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.

**3. LEVIED TAXES**

The District was authorized and levied a .83 mill ad valorem tax for the year ended December 31, 1997.

**3. CASH AND CASH EQUIVALENTS**

At December 31, 1997, the District has cash and cash equivalents (book balances) totaling \$142,526, as follows:

Interest-bearing demand deposits	\$ 75,831
Time deposit	<u>66,695</u>
	<u>\$142,526</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, 1997, the District has \$142,526 in deposits (reflected bank balances). These deposits are secured from risk by \$142,526 of federal deposit insurance.

**4. FIXED ASSETS**

The changes in general fixed assets follow:

	Balance January 1, 1996	Additions	Deletions	Balance December 31, 1997
Buildings	\$ 4,935			\$ 4,935
Furniture	<u>154,521</u>	4,133		<u>158,654</u>
Total	<u>\$ 159,456</u>	<u>\$ 4,133</u>	NONE	<u>\$ 163,589</u>

**5. PENSION PLANS**

The District does not participate in any pension or retirement plans.

**6. LITIGATION AND CLAIMS**

The District is not involved in any litigation at December 31, 1997.

**Kenneth D. Folds & Co.**  
Certified Public Accountants

Kenneth D. Folds, CPA

Ted W. Swartzler, CPA

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

Danny Pool, Chairman  
and Members of the Board of Commissioners  
Ward 3 Fire Protection District  
P. O. Box 158  
Chatham, LA 70126

We have performed the procedures included in the Louisiana Government Audit Guide and summarized below, which were agreed to by the management of the Ward 3 Fire Protection District of Jackson Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Ward 3 Fire Protection District's compliance with certain laws and regulations during the year ended December 31, 1997, included in the accompanying Louisiana *Affidavit/Quittance*. 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 \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with L.S.A.-RS 38:2113-2121 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$5,000 nor any expenditures were made for public works exceeding \$50,000.

**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 L.S.A.-RS 42:1181-1124 (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 3 Fire Protection District has no employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (2) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

As stated in procedure (2), the district has no employees.

#### Budgeting

5. Obtain 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 2, 1996, 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 2, 1997, 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 not 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 minute book 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 3 Fire Protection District 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.

Exhibit

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 no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Disburse

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 (1), 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 3 Fire Protection District 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 purpose. However, this report is a matter of public record and its distribution is not limited.

*Kenneth B. Polmen, CPA*

KENNETH B. POLMEN & CO.  
Certified Public Accountants

Jackson, Louisiana  
June 21, 1998

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Allotment, Engagements of Government)**  
\_\_\_\_\_ (Date Transmitted)

\_\_\_\_\_ Kenneth D. Falden & Co., CPAs

\_\_\_\_\_ 162 8th Street

\_\_\_\_\_ Bogalusa, LA 71217

\_\_\_\_\_ (Auditor)

In connection with your completion of our financial statements as of [date] and for the year 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 6/21/20  
(date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 30:7212, 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, item, or promise, from anyone that would constitute a violation of LSA-RS 42:1301-1124.

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 3, 1960, 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 58:1301-14) or the budget requirements of LSA-RS 39:34.

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 34:614, 32:463, and/or 38:92, as applicable.

Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:573.

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 25 of the 1974 Louisiana Constitution, and LSA-RS 32:1491.55-1491.65.

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	_____
Treasurer	<i>Sherry Chatham</i>	Date	6/21/11
President	<i>[Signature]</i>	Date	6/21/11

**Kenneth D. Falden & Co.**  
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Danny Park, Chairman  
and Members of the Board of Commissioners  
Ward 3 Fire Protection District  
P. O. Box 150  
Chatham, LA 71226

In performing our compilation with attestation engagement of the financial statements of the Ward 3 Fire Protection District, as of and for the year ended December 31, 1997, 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, 1998, 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. Falden, CPA*

Kenneth D. Falden & Co, CPAs  
June 22, 1998

**Current Year's Findings:**

None.

**Prior Year's Findings:**

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

**Management Letter:**

1. Minutes of board meetings not published - For the year ended December 31, 1997, the District started publishing its minutes as required by IRS 45:171. This finding is considered cleared.