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FINANCIAL STATEMENTS
AND AUDITORS' REPORT

CALCASIEU PARISH WARD 7 FIRE
PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

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 MAY 24 2000

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS:	
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (GAAP Basis) - General Fund	7
Notes to Financial Statements	8
SUPPLEMENTAL INFORMATION:	
Per Diem paid Board Members	16
Schedule of General Government Expenditures - Budget and Actual (GAAP Basis) - General Fund	17
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
Schedule of Findings and Questioned Costs	20



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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Calcasieu Parish Ward 7 Fire
Protection District No. 1
Calcasieu Parish Policy Jury
Vinton, Louisiana

We have audited the accompanying general-purpose financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of December 31, 1999, and for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Ward 7 Fire Protection District No. 1 as of December 31, 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*, we have also issued a report dated April 30, 2000, on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Langley, Williams & Co., L.L.C.

April 30, 2000

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

COMBINED BALANCE SHEET - ALL FUND
TYPES AND ACCOUNT GROUPS

December 31, 1999

	GOVERNMENTAL FUND TYPES		
	General Fund	Debt Service Fund	Capital Projects Fund
ASSETS			
Cash and cash equivalents	\$ 246,788	\$ 145,656	\$ 629,165
Ad valorem tax receivable, net of allowance for doubtful accounts	149,862	149,862	-
State revenue sharing receivable	3,141	-	-
Accrued interest receivable	859	-	-
Fixed assets	-	-	-
Amount available in debt service fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets	\$ 400,650	\$ 295,518	\$ 629,165
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 32,920	\$ -	\$ -
Payroll taxes payable	669	-	-
Deductions from ad valorem tax receivable:			
Retirement systems	4,843	4,843	-
General obligation bonds payable	-	-	-
Total liabilities	38,432	4,843	-
Fund equity:			
Investment in general fixed assets	-	-	-
Fund balances:			
Reserved for debt service	-	290,675	-
Reserved for fixed asset purchases	-	-	629,165
Unreserved	362,218	-	-
Total fund balances	362,218	290,675	629,165
Total fund equity	362,218	290,675	629,165
Total liabilities and fund equity	\$ 400,650	\$ 295,518	\$ 629,165

The accompanying notes are an integral part of this statement.

<u>ACCOUNT GROUPS</u>		
<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	<u>TOTAL (Memorandum Only)</u>
\$ -	\$ -	\$ 1,021,609
-	-	299,724
-	-	3,141
-	-	859
1,596,547	-	1,596,547
-	290,675	290,674
<u>-</u>	<u>794,325</u>	<u>794,326</u>
<u>\$ 1,596,547</u>	<u>\$ 1,085,000</u>	<u>\$ 4,006,880</u>
\$ -	\$ -	\$ 32,920
-	-	669
-	-	9,686
<u>-</u>	<u>1,085,000</u>	<u>1,085,000</u>
-	1,085,000	1,128,275
1,596,547	-	1,596,547
-	-	290,675
-	-	629,165
<u>-</u>	<u>-</u>	<u>362,218</u>
<u>-</u>	<u>-</u>	<u>1,282,058</u>
<u>1,596,547</u>	<u>-</u>	<u>2,878,605</u>
<u>\$ 1,596,547</u>	<u>\$ 1,085,000</u>	<u>\$ 4,006,880</u>

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 1999

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>TOTAL (Memorandum Only)</u>
REVENUES				
Ad valorem taxes	\$ 152,990	\$ 152,920	\$ -	\$ 305,910
State revenue sharing	3,141	-	-	3,141
Fire tax rebate	6,076	-	-	6,076
Interest	10,953	6,819	34,202	51,974
Intergovernmental - riverboat funds	<u>4,999</u>	<u>-</u>	<u>-</u>	<u>4,999</u>
Total revenues	178,159	159,739	34,202	372,100
EXPENDITURES				
General government	123,205	10,017	-	133,222
Capital outlay	14,157	-	486,914	501,071
Debt service:				
Principal retirement	-	40,000	-	40,000
Interest	<u>-</u>	<u>53,223</u>	<u>-</u>	<u>53,223</u>
Total expenditures	<u>137,362</u>	<u>103,240</u>	<u>486,914</u>	<u>727,516</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	40,797	56,499	(452,712)	(355,416)
FUND BALANCES, BEGINNING OF YEAR	<u>321,421</u>	<u>234,176</u>	<u>1,081,877</u>	<u>1,637,474</u>
FUND BALANCES, END OF YEAR	<u>\$ 362,218</u>	<u>\$ 290,675</u>	<u>\$ 629,165</u>	<u>\$ 1,282,058</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND

Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Ad valorem taxes	\$ 145,000	\$ 152,990	\$ 7,990
State revenue sharing	3,000	3,141	141
Fire tax rebate	5,500	6,076	576
Interest	9,800	10,953	1,153
Intergovernmental - riverboat funds	<u>5,000</u>	<u>4,999</u>	<u>(1)</u>
Total revenues	168,300	178,159	9,859
EXPENDITURES			
General government	105,100	123,205	(18,105)
Capital outlay	<u>63,200</u>	<u>14,157</u>	<u>49,043</u>
Total expenditures	<u>168,300</u>	<u>137,362</u>	<u>30,938</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	40,797	40,797
FUND BALANCE, BEGINNING OF YEAR	<u>321,421</u>	<u>321,421</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 321,421</u>	<u>\$ 362,218</u>	<u>\$ 40,797</u>

The accompanying notes are an integral part of this statement.

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Calcasieu Parish Ward 7 Fire Protection District No. 1 was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the people of Ward 7 of Calcasieu Parish. The district is governed by a board of five commissioners appointed by the Calcasieu Parish Police Jury.

The financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District is a component unit of the Calcasieu 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.

B. 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 related to certain government functions or activities.

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

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Funds are all classified as governmental fund types. Governmental funds are used to account for all or most of a government's general activities, including transactions involving the servicing of general long-term debt (debt service funds) and transactions related to funds received and used for acquisition of fixed assets (capital projects funds). The general fund is used to account for all activities of the District not accounted for in some other fund.

C. Basis of Accounting

The accounting and financial reporting 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 generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded on fund liability when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

E. Accounts Receivable

Uncollectible amounts due for ad valorem taxes are recognized as bad debts using the allowance method. The allowance for uncollectible accounts at December 31, 1999, was \$6,117.

F. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the general fixed assets account group are not depreciated.

G. Budgets

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund expenditures. All annual appropriations lapse at fiscal year end.

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budgets (Continued)

On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations by more than five percent. During the year, several supplementary appropriations were necessary.

H. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

I. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Memorandum Only - Total Columns

Total columns on the general-purpose financial 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 are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - AD VALOREM TAXES

For the year ended December 31, 1999, taxes of 20.00 mills were levied on property with assessed valuations totaling \$15,292,000 and were dedicated as follows:

Maintenance	10.00 mills
Bond Sinking	10.00 mills

Total taxes levied were \$305,840.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 1999, the district has cash and cash equivalents (book balances) as follows:

Demand deposits	\$ 858,813
Time deposits	<u>162,796</u>
Total	<u>\$ 1,021,609</u>

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - (Continued)

December 31, 1999

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Those 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 \$1,021,637 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$1,437,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 3,931	\$ -	\$ -	\$ 3,931
Buildings & improvements	300,194	60,737	-	360,931
Improvements other than buildings	95,274	952	-	96,226
Equipment	<u>696,077</u>	<u>439,382</u>	<u>-</u>	<u>1,135,459</u>
Total	<u>\$ 1,095,476</u>	<u>\$ 501,071</u>	<u>\$ -</u>	<u>\$ 1,596,547</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of bond transactions of the district for the year ended December 31, 1999:

Payable January 1, 1999	\$ 1,125,000
Retired	<u>(40,000)</u>
Payable December 31, 1999	<u>\$ 1,085,000</u>

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - (Continued)

December 31, 1999

NOTE 5 – LONG-TERM DEBT (Continued)

Bonds payable at December 31, 1999, is comprised of the following issue:

\$1,125,000 general obligation bonds dated March 1, 1998; due in annual installments of \$40,000 to \$110,000 through March 1, 2013; interest at 8.00% to 4.35% due semiannually on March 1 and September 1 beginning September 1, 1998; secured by levy and collection of ad valorem taxes \$ 1,085,000

The annual requirements to amortize all debts outstanding as of December 31, 1999, are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 45,000	\$ 49,822	\$ 94,822
2001	50,000	46,023	96,023
2002	50,000	42,022	92,022
2003	55,000	38,909	93,909
2004	70,000	36,360	106,360
Thereafter	<u>815,000</u>	<u>170,335</u>	<u>985,335</u>
	<u>\$ 1,085,000</u>	<u>\$ 383,471</u>	<u>\$ 1,468,471</u>

NOTE 6 - PENSION PLAN

Employees of the fire district participate in the State of Louisiana Social Security Program. The fire district is required to remit an amount equal to the employee's contribution. The fire district does not guarantee any of the benefits granted by the State of Louisiana Social Security Program.

SUPPLEMENTAL INFORMATION

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

PER DIEM PAID BOARD MEMBERS

December 31, 1999

The schedule of per diem paid to commissioners was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

As provided by Louisiana Revised Statute 40:1498, each commissioner received \$30 per diem for attending regular monthly meetings and special meetings.

	<u>1999</u>
Clement, Gordon R.	\$ 450
Corbello, Ernest	450
Renfro, Guy L.	330
Kelly, Sr., Raymond L.	390
Soileau, Henry	<u>390</u>
	<u>\$ 2,010</u>

Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury

SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES - BUDGET
AND ACTUAL (GAAP BASIS) - GENERAL FUND

December 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Accounting	\$ 2,000	\$ 2,000	\$ -
Bad debt expense	-	4,158	(4,158)
Contract labor	-	3,678	(3,678)
Deductions from ad valorem taxes - retirement	2,000	4,844	(2,844)
Firemen's fee	10,900	10,208	692
Fuel	2,100	1,667	433
Insurance	17,000	15,285	1,715
Maintenance and repairs	800	92	708
Office	3,000	2,697	303
Payroll taxes	2,300	2,114	186
Per diem paid commissioners	2,000	2,010	(10)
Rental	-	2,400	(2,400)
Salaries	25,000	26,896	(1,896)
Supplies - operating	27,000	34,185	(7,185)
Supplies - housekeeping	800	908	(108)
Utilities and telephone	<u>10,200</u>	<u>10,063</u>	<u>137</u>
 Total general governmental expenditures	 <u>\$ 105,100</u>	 <u>\$ 123,205</u>	 <u>\$ (18,105)</u>



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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
Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury
Vinton, Louisiana

We have audited the general-purpose financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 1999, and have issued our report thereon dated April 30, 2000. We conducted our 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 the District's general-purpose financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that

misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the District's management, the Board of Commissioners, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Rangley, Williams & Co., LLC

April 30, 2000

Calcasieu Parish Ward 7 Fire Protection District No. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 1999

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1.
2. No reportable conditions disclosed during the audit of the financial statements in the report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance were disclosed during the audit.
4. A separate management letter was not issued.

FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs noted during the audits of the current year or prior year financial statements in accordance with *Government Auditing Standards*.