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**WARD 7 FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE BIENVILLE PARISH POLICE JURY
BIENVILLE 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 MAY 24 2000

KENNETH D. FOLDEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

302 EIGHTH STREET, JONESBORO, LA 71251
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WARD 7 FIRE PROTECTION DISTRICT
A Component Unit of the Bienville Parish Police Jury
Bienville Parish, Louisiana

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

CONTENTS

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

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ACCOUNTANTS' COMPILATION REPORT

**Kenneth L. Knotts, Chairman
and Members of the Board of Commissioners
Ward 7 Fire Protection District
Rt. 3, Box 155
Castor, LA 71016**

We have compiled the accompanying financial statements of the Ward 7 Fire Protection District, of Bienville Parish, Louisiana, a component unit of the Bienville 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.

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

**Jonesboro, Louisiana
March 3, 2000**

WARD 7 FIRE PROTECTION DISTRICT
Bienville Parish, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet, December 31, 1999

Governmental Fund	Account Group	
General Fund	General Fixed Assets	Total (Memorandum Only)

ASSETS AND OTHER DEBITS**Assets:**

Cash	\$ 29,791	\$ 29,791
Receivables - ad valorem	96,207	96,207
Utility deposits	430	430
Property, plant and equipment	535,991	535,991
TOTAL ASSETS	\$ 126,428	\$ 662,419

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

Accounts payable	\$ 3,838	\$ 3,838
Total liabilities	3,838	NONE

Equity and Other Credits:

Investment in general fixed assets	535,991	535,991
Fund balance - unreserved - undesignated	122,590	122,590
Total fund equity	122,590	658,581
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 126,428	\$ 662,419

See Accountants' Compilation Report

WARD 7 FIRE PROTECTION DISTRICT
Bienville Parish, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND
Statements of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended December 31, 1999

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Property taxes	\$ 104,000	\$ 109,312	\$ 5,312
Intergovernmental -			
Fire insurance premium rebate	4,000	4,710	710
Interest		2,051	2,051
Miscellaneous	1,500	1,500	
	<u>109,500</u>	<u>117,573</u>	<u>8,073</u>
EXPENDITURES			
Public safety			
Dues and subscriptions		75	(75)
Building maintenance	2,000		2,000
Advertising	100	26	74
Equipment operating cost	23,405	3,561	19,844
Operating supplies	6,000	14,781	(8,781)
Administrative services	500	29	471
Insurance	10,000	6,765	3,235
Legal and accounting	3,500	4,431	(931)
Office supplies	500	251	249
Statutory deductions	6,000	3,302	2,698
Telephone and utilities	7,500	4,111	3,389
Rent		343	(343)
Salaries and payroll taxes	13,100	11,000	2,100
Capital outlay	115,000	127,522	(12,522)
Training	1,500	372	1,128
Outside services		848	(848)
	<u>189,105</u>	<u>177,417</u>	<u>11,688</u>
EXCESS OF REVENUES (OVER) EXPENDITURES	(79,605)	(59,844)	19,761
FUND BALANCE AT BEGINNING OF YEAR	79,605	182,434	102,829
FUND BALANCE AT END OF YEAR	NONE \$	\$ 122,590	122,590

See Accountants' Compilation Report

**WARD 7 FIRE PROTECTION DISTRICT
BIENVILLE PARISH, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

INTRODUCTION

As provided by Louisiana Revised Statute 40:1495, the Ward 7 Fire Protection District of Bienville Parish, Louisiana, is governed by five commissioners who are resident property taxpayers of the District. The Villages of Lucky and Saline each appoint one commissioner, and the Bienville Parish Police Jury appoints two members; these four commissioners then select the fifth commissioner. The five commissioners are referred to as the Board of Commissioners. The members serve terms of two years. The members of the Board of Commissioners do not receive compensation.

The District was created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control within the fire district. The District's records are housed in the home of the secretary treasurer of the Board of Commissioners, the home of the president of the Board of Commissioners, and the eight stations in the district. The District and the volunteer fire departments coordinate their efforts to achieve the goals of fire protection for the district.

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 Bienville Parish Police Jury is the financial reporting entity for Bienville 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 Bienville 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 7 FIRE PROTECTION DISTRICT
Bienville 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 Bienville 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 7 Fire Protection District 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 Bienville Parish. The Bienville 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 7 FIRE PROTECTION DISTRICT
Bienville 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 Bienville Parish Tax Collector and remitted to Ward 7 Fire Protection District. 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.

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 7 FIRE PROTECTION DISTRICT
Bienville Parish, Louisiana
Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 OBLIGATIONS

Long-term obligations expected to be financed from the governmental fund 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 fund when due. The district has no long-term debt at December 31, 1999.

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 was authorized and levied a 15.74 mill ad valorem tax in 1999.

3. CASH AND CASH EQUIVALENTS

At December 31, 1999, the District has cash and cash equivalents (book balances) totaling \$29,791, as follows:

Petty cash	\$ 200
Demand deposits	<u>29,591</u>
Total	<u>\$ 29,791</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 \$29,968 in deposits (collected bank balances). These deposits are secured from risk by \$29,968 of federal deposit insurance.

WARD 7 FIRE PROTECTION DISTRICT
Bienville Parish, Louisiana
Notes to the Financial Statements (Continued)

4. FIXED ASSETS

The changes in general fixed assets follows:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Land	\$ 8,971	\$	\$	\$ 8,971
Buildings	137,616			137,616
Furniture and equipment	261,882	127,522		389,404
Total	<u>\$ 408,469</u>	<u>\$ 127,522</u>	<u>NONE</u>	<u>\$ 535,991</u>

5. PENSION PLANS AND POST-RETIREMENT BENEFITS

The District contributes to the Social Security System for its part-time employees. The District does not participate in any other pension or retirement plans. The District does not have any post-retirement benefits.

6. LEASES

On July 1, 1988, the Ward 7 Fire Protection District entered into three 99-year property leases for land to be used for fire stations. The consideration for the leases is the benefit that will be provided to Lessor by having fire protection equipment on the leased premises.

7. LITIGATION

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

Kenneth D. Folden & Co.

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Kenneth Knotts, Chairman
and Members of the Board of Commissioners
Ward 7 Fire Protection District
Rt. 3, Box 155
Castor, LA 71016

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 7 Fire Protection District of Bienville Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Ward 7 Fire Protection District'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

11. 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).

Only one expenditure was made during the year for materials and supplies exceeding \$7,500, 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 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.

Management provided us with the required name of their one employee.

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.

The name of the one employee provided by management in procedure (3) did not appear on the list provided by management in procedure (2)

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 not amended 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 10, 1998, which indicated that the budget had been approved by all of 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 each year under examination and:**

- (a) **trace payments to supporting documentation as to proper amount and payee;**

We examined supporting documentation for five of the six selected disbursements and found that payment was for the proper amount and made to the correct payee. One payment (check no. 1017) for \$40 could not be located. Management informed us that its documentation was misplaced during the transition of treasurers.

- (b) **determine if payments were properly coded to the correct fund and general ledger account; and**

The five payments supported by documentation were properly coded to the correct fund and general ledger account.

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

The 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 7 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 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 no deposits which appeared to be proceeds of bank loans, bonds, or like 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.

A reading of the minutes of the district for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to the sole employee which would constitute bonuses, advances, or gifts.

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 7 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 purposes. However, this report is a matter of public record and its distribution is not limited.

Kenneth D. Folden & Co.

KENNETH D. FOLDEN & CO.
Certified Public Accountants

Jonesboro, Louisiana
March 3, 2000

LOUISIANA ATTESTATION QUESTIONNAIRE

JANUARY 13, 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 JANUARY 13, 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.

Douglas R. Buckley Secretary 1-13-2000 Date
Douglas R. Buckley Treasurer 1-13-2000 Date
Theresa L. Smith President 13 JAN 2000 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.

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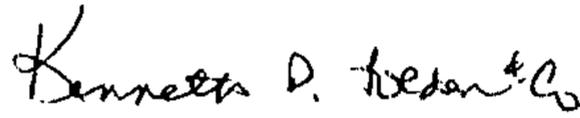
Kenneth Knotts, Chairman
and Members of the Board of Commissioners
Ward 7 Fire Protection District
Rt 3, Box 155
Castor, LA 71016

In performing our compilation with attestation engagement of the financial statements of the Ward 7 Fire Protection District, 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 compilation with attestation engagement, as of and for the year ended December 31, 1999, we became aware of certain matters 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 these matters.

We will be pleased to discuss them in further detail at your convenience or to assist you in implementing the recommendations.

Sincerely,



Kenneth D. Folden & Co, CPAs
March 3, 2000

Current Year Findings:

None.

Prior Year's Findings:

The current status of the findings in the prior year compilation report for the year ending December 31, 1998 are as follows:

Management Letter:

1. **Centralized banking - The District was maintaining demand deposit accounts for the individual stations as well as a central demand deposit account. Corrective action has been taken; this finding is considered cleared.**