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OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures 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 8-02-00

VERNON·R
COON

CERTIFIED PUBLIC ACCOUNTANT

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 1999

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the Oak Grove Fire District as of December 31, 1999, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

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

West Monroe, Louisiana
July 3, 2000

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WEST MONROE,
LOUISIANA 71291
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**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1999

	...ACCOUNT GROUPS...		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	GENERAL FIXED ASSETS	
ASSETS AND OTHER DEBITS			
Cash	\$23,395		\$23,395
Receivables - sales tax	2,452		2,452
Land, buildings, and equipment		\$309,703	309,703
Amount to be provided for retirement of general long-term debt			206,027
		\$206,027	206,027
TOTAL ASSETS AND OTHER DEBITS	\$25,847	\$309,703	\$541,577
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$1,106		\$1,106
Notes payable		\$59,000	59,000
Lease payable		147,027	147,027
Total Liabilities	1,106	NONE	207,133
Fund Equity:			
Investment in general fixed assets		\$309,703	309,703
Fund balance: unreserved - undesignated	24,741		24,741
Total Fund Equity	24,741	309,703	334,444
		NONE	334,444
TOTAL LIABILITIES AND FUND EQUITY	\$25,847	\$309,703	\$541,577

See accompanying notes and accountant's compilation report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1999

REVENUES

Sales taxes	\$56,533
Intergovernmental revenues - fire insurance rebate	3,783
Use of money and property - interest earnings	1,386
Total revenues	61,702

EXPENDITURES

Public safety -current:	
Operating services	39,392
Materials and supplies	8,220
Debt service	9,854
Capital outlay	179,318
Total expenditures	236,784

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES (175,082)

OTHER FINANCING SOURCES

Increase in capital lease	155,000
Sale of fixed assets	600
Total other financing sources	155,600

**EXCESS (Deficiency) OF REVENUES AND OTHER
FINANCING SOURCE OVER EXPENDITURES** (19,482)

FUND BALANCES AT BEGINNING OF YEAR 44,223

FUND BALANCES AT END OF YEAR \$24,741

See accompanying notes and accountant's compilation report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (Cash Basis) and Actual
For the Year Ended December 31, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Sales taxes	\$64,200	\$64,266	\$66
Intergovernmental revenue - fire insurance rebate	3,500	3,784	284
Use of money and property - interest earnings	1,300	1,497	197
Other revenues		15,000	15,000
Total revenues	<u>69,000</u>	<u>84,547</u>	<u>15,547</u>
EXPENDITURES			
Public safety - current:			
Operating services	33,706	38,465	(4,759)
Materials and supplies	2,400	4,700	(2,300)
Debt service	11,000	10,854	146
Capital outlay	40,500	43,002	(2,502)
Total expenditures	<u>87,606</u>	<u>97,021</u>	<u>(9,415)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(18,606)	(12,474)	6,132
OTHER FINANCING SOURCE			
Sale of fixed assets		600	600
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCE OVER EXPENDITURES	(18,606)	(11,874)	6,732
FUND BALANCE AT BEGINNING OF YEAR	<u>34,764</u>	<u>35,269</u>	<u>505</u>
FUND BALANCE AT END OF YEAR	<u><u>\$16,158</u></u>	<u><u>\$23,395</u></u>	<u><u>\$7,237</u></u>

See accompanying notes and accountant's compilation report.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Oak Grove Fire District was created by the West Carroll Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 11, 1988. The district is governed by a five member board appointed by the police jury. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll 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 (GASB) Statement 4 established criteria for determining which component units should be considered part of the West Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. 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.

OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

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.

Because the police jury created the district, appoints the commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the West Carroll 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 West Carroll Parish 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 that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only a

OAK GROVE FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

governmental fund type. The governmental fund type of the district is described as follows:

General Fund

The General Fund is the general operating fund of the district and is used to account for all financial activities not required to be accounted for in other funds. Primary funding is provided by a sales tax approved by voters of the district, state fire insurance rebates, and interest earnings on investments.

**C. FIXED ASSETS AND
LONG-TERM DEBT**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets. Approximately 75 per cent of general fixed assets are valued at actual cost while the remaining 25 per cent are valued at estimated cost, based on the actual historical cost of like items. The account group is not a "fund", it is concerned only with the measurement of financial position and does not involve measurement of results of operations.

Long-term debt, such as general obligation bonds, are recognized as a liability of a governmental fund only when due. The remaining portion of such obligations is reported in the general long-term debt account group.

D. BASIS OF ACCOUNTING

The 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 for 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 for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when

OAK GROVE FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

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 district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Sales taxes are recognized in the month received by the district's collection agent, the West Carroll Parish School Board.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, sales taxes and other intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

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

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the board of commissioners in November and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is prepared on the cash basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget are approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. The following

OAK GROVE FIRE DISTRICT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

reconciles the excess of revenues and other sources over expenditures and other uses as shown on the budget comparison Statement C (budget basis) to the same amounts shown on Statement B (GAAP basis):

Excess (Deficiency) of revenues and other sources over expenditures (Budget basis)	(\$11,874)
Adjustments:	
Receivables (net)	(7,733)
Payables (net)	(855)
1998 checks voided after audit	1,091
Reversal of prior year interest	<u>(111)</u>
Excess (Deficiency) of revenues and other sources over expenditures (GAAP basis)	<u><u>(\$19,482)</u></u>

F. CASH

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1999, the district has cash and cash equivalents (book balances) totaling \$23,395.

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. All deposits are fully secured by federal deposit insurance at December 31, 1999.

G. SALES TAX

On September 21, 1996, voters of the parish approved a one-half of one per cent sales tax to be dedicated and used to provide fire protection in the eight fire protection districts in the parish through the acquisition, construction, improvement, operation and maintenance of equipment, property and facilities to be used in providing such fire

OAK GROVE FIRE DISTRICT

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

protection, including payment of the costs of training and obtaining water for fire protection purposes and the payment of debt service on debt obligations issued for such purposes. The tax is for a period of ten years and will expire on September 21, 2006. By an agreement between the police jury and the West Carroll Parish School Board, the school board served as the collection agent for the sales tax.

H. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the fire district maintains a commercial insurance policy covering property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 1999.

I. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the combined balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CHANGES IN GENERAL FIXED ASSETS

The following presents changes in general fixed assets for the year ended December 31, 1999:

	Balance January 1,	Additions	Deletions	Balance December 31,
Land and buildings	\$38,000	\$14,066		\$52,066
Vehicles and equipment	92,385	165,252		257,637
Total	<u>\$130,385</u>	<u>\$179,318</u>	<u>NONE</u>	<u>\$309,703</u>

OAK GROVE FIRE DISTRICT
 Oak Grove, Louisiana
 Notes to the Financial Statements (Continued)

**3. CHANGES IN GENERAL
 LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended December 31, 1999:

Note payable at January 1, 1999	\$59,000
Additions	155,000
Reductions	<u>(7,973)</u>
Note payable at December 31, 1999	<u><u>\$206,027</u></u>

On July 14, 1997, the fire district borrowed \$75,000 from the Town of Oak Grove issuing a promissory note for repayment. Monthly installments of \$1,000 to \$4,000 are due through June 15, 2003, with no interest. Debt retirement payments are made from the General Fund. Because of the financial condition of the fire district, the Town of Oak Grove has allowed the district to stop payments for a period of 18 months, extending the monthly installments through the year 2005. On July 22, 1999, the fire district entered into a capital lease for a tanker truck and a tanker/pumper truck. The lease had an original recorded amount of \$155,000.

The annual requirements to amortize all general long-term debt outstanding at December 31, 1999, are as follows:

<u>Year</u>	
2000	\$34,050
2001	38,051
2002	38,051
2003	38,051
2004	38,051
2005	29,050
2006	<u>15,196</u>
Total	<u>230,500</u>
Less amount representing interest	<u>(24,473)</u>
Present value of net minimum lease payments	<u><u>\$206,027</u></u>

4. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1999, nor is it aware of any unasserted claims.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS
OAK GROVE FIRE DISTRICT
Oak Grove, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Oak Grove Fire District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Oak Grove Fire 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 the procedures is solely the responsibility of the specified users of the report. Consequently, I 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 materials and supplies exceeding \$15,000, 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).

A review was made of all disbursement journals for the year. That review disclosed one expenditure made during the period of examination for materials and supplies exceeding \$15,000. The district complied with the advertising requirements of the Public Bid law and accepted the bid submitted by the only bidder. No expenditures were disclosed for public works exceeding \$100,000.

OAK GROVE FIRE DISTRICT
Independent Accountant's Report on
Applying Agreed Upon Procedures
December 31, 1999

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 me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The district has no employees.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

As stated in number 3 above, there are no employees.

Budgeting

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

Management provided me with a copy of the original budget. There were two amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 10, 1998. Budget was subsequently amended on June 7, 1999 and December 9, 1999.

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 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more, however, actual expenditures did exceed budgeted amounts by 10.7%.

OAK GROVE FIRE DISTRICT
Independent Accountant's Report on
Applying Agreed Upon Procedures
December 31, 1999

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and;
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) Each of the six payments were coded to the correct fund and general ledger account.
- (c) A reading of the minutes of the board indicated approval for monthly expenditures.

Meetings

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

Notices for meetings are posted at least twenty-four hours before the scheduled time of the meeting. The posted notice includes the agenda of the meeting.

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.

I inspected all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

OAK GROVE FIRE DISTRICT
Independent Accountant's Report on
Applying Agreed Upon Procedures
December 31, 1999

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 board and inspection of the disbursements journals for the year did not disclose any instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

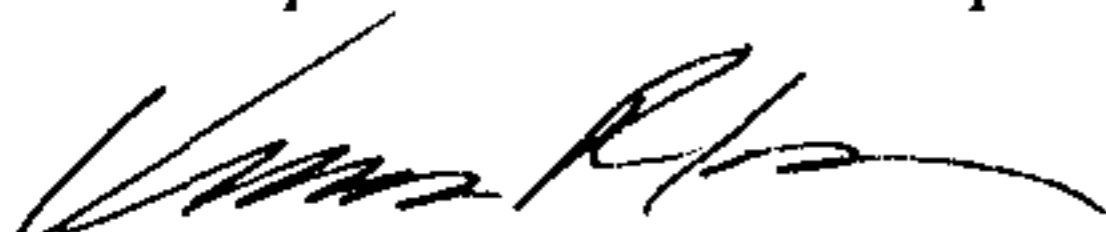
Other Comments

12. During the examination an excessive amount of time was lost while waiting on the agency to gather documents and other information needed to complete the financial statements and attestation procedures. Because of this, it was not possible to complete the engagement and file the financial statements and accountant's attestation report by June 30, 2000, as required by state law.

In the future, the agency should ensure that all records and supporting documentation are complete and ready when the compilation/attestation engagement begins.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Oak Grove Fire 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.



West Monroe, Louisiana
July 3, 2000

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the questionnaire.

Vernon R. Coon
Certified Public Accountant
116 Professional Drive
West Monroe, La 71291

Mr. Coon,

In connection with your compilation of our financial statements of the Oak Grove Fire District No.1 as of December 31, 1999 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 regulations 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 information available to us as of May 23,1999.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [X] No [] N/A []

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No [] N/A []

3. 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 which would constitute a violation of LSA-RS 42:1119.

Yes [X] No [] N/A []

BUDGETING

4. 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 [X] No [] N/A []

ACCOUNTING AND REPORTING

5. 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 [X] No [] N/A []

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

Yes [X] No [] N/A []

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [X] No [] N/A []

DEBT

9. 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 [X] No [] N/A []

ADVANCES AND BONUSES

10. 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 [X] No [] N/A []

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 non-compliance which may occur subsequent to the issuance of your report.

Marie Sistrunk

Secretary/Treasurer

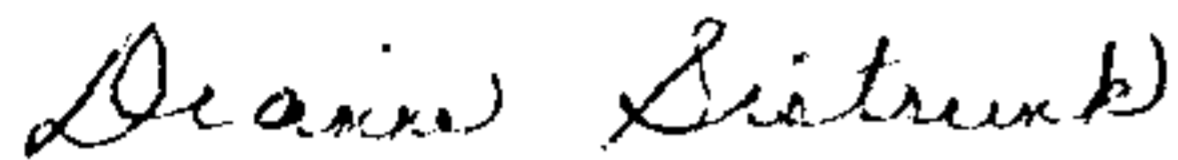
5/23/00

Date

In response to #7 of the Independent Accountant's report for the year 1999 concerning the actual expenditures that exceeded budgeted amounts by 10.7%, I failed to check the budget amounts for a few months. I will be more aware of the expenditures for the following year.

In response to #12 of the Independent Accountant's report for the year 1999 concerning the deadline of June 30, 2000, I received the report on June 29, 2000 late in the afternoon. I did not have time to answer the report and get it back in the mail the same day because the mail was picked up at 5:00 and I did not check my fax machine until 4:15. I will do my best to have the document and other information needed to complete the financial statements to the accountant when the compilation engagement begins.

Thank you.



Dianne Sistrunk
Oak Grove Fire District