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DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

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Release Date 6/2/99

**General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report**

December 31, 1998 and 1997

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Years Ended
December 31, 1998 and 1997

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SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

We have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the DeSoto Parish Fire District No. 1 as of December 31, 1998 and 1997, and for the years 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. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

A balance sheet for the general fixed asset account groups as of December 31, 1998 and 1997 have not been presented. Generally accepted accounting principles require that all fund types and account groups be included when a combined balance sheet is presented.

Bossier City, Louisiana

April 22, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

Statement A

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet
December 31, 1998
With Comparative Totals for December 31, 1997

	GOVERNMENTAL FUND TYPE - GENERAL FUND	GENERAL LONG-TERM DEBT ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
			1998	1997
ASSETS				
Cash	\$ 33,576	\$ -	\$ 33,576	\$ 80,862
Receivables:				
Ad valorem taxes	170,151	-	170,151	170,152
Amount to be provided for retirement of general long-term debt	-	221,662	221,662	238,652
TOTAL ASSETS	<u>203,727</u>	<u>221,662</u>	<u>425,389</u>	<u>489,666</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	1,724	-	1,724	1,862
Capital lease payable	-	221,662	221,662	238,652
Total Liabilities	<u>1,724</u>	<u>221,662</u>	<u>223,386</u>	<u>240,514</u>
Fund equity- fund balance- unreserved- undesignated	<u>202,003</u>	<u>NONE</u>	<u>202,003</u>	<u>249,152</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 203,727</u>	<u>\$ 221,662</u>	<u>\$ 425,389</u>	<u>\$ 489,666</u>

See accompanying notes and accountant's compilation report.

Statement B

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL FUND

Statement of Revenues, Expenditures,
 And Changes in Fund Balance
 For the Year Ended December 31, 1998
 With Comparative Totals for the Year Ended December 31, 1997

	1998	1997
REVENUES		
Ad valorem taxes	\$ 176,606	\$ 182,621
<i>Intergovernmental revenue - state funds:</i>		
State revenue sharing	4,996	1,667
Fire insurance rebate	6,218	6,602
Use of money and property - interest earnings	3,946	2,613
Other revenues	1,058	209
Total revenues	192,824	193,722
 EXPENDITURES		
Public safety:		
Current:		
Personal services	35,562	28,908
Operating services	41,108	27,143
Materials and supplies	12,840	3,840
Professional Services	3,350	-
Debt service:		
Principal	16,989	33,153
Interest	4,011	13,815
Capital outlay	126,113	8,574
Total expenditures	239,973	115,433
 DEFICIT OF REVENUES OVER EXPENDITURES	(47,149)	78,289
 FUND BALANCE AT BEGINNING OF YEAR	249,152	170,863
 FUND BALANCE AT END OF YEAR	\$ 202,003	\$ 249,152

See accompanying notes and accountant's compilation report.

Statement C

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, 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, 1998
With Comparative Totals for the Year Ended December 31, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1997 ACTUAL</u>
REVENUES				
Ad valorem taxes	\$ -	\$ 176,607	\$ 176,607	\$163,014
Intergovernmental revenue- state funds:				
State revenue sharing	-	4,996	4,996	1,857
Fire insurance rebate	-	6,218	6,218	6,602
Use of money and property- interest earnings	-	3,946	3,946	2,613
Other revenues	-	1,058	1,058	209
Total revenues	<u>-</u>	<u>192,825</u>	<u>192,825</u>	<u>174,295</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services	40,000	35,904	4,096	27,849
Operating services	31,000	41,153	(10,153)	27,866
Materials and supplies	5,000	12,591	(7,591)	3,596
Professional Services	-	3,350	(3,350)	-
Debt service	21,000	21,000	-	46,968
Capital outlay	133,000	126,113	6,887	10,604
Total expenditures	<u>230,000</u>	<u>240,111</u>	<u>(10,111)</u>	<u>116,883</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(230,000)	(47,286)	182,714	57,412
FUND BALANCE AT BEGINNING OF YEAR	<u>80,862</u>	<u>80,862</u>	<u>-</u>	<u>23,460</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u>(\$ 149,138)</u>	<u>\$ 33,576</u>	<u>\$ 182,714</u>	<u>\$ 80,862</u>

See accompanying notes and accountant's compilation report.

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

Notes to Financial Statements
December 31, 1998 and 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DeSoto Parish Fire District No. 1 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 22, 1987. 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. BASIS OF PRESENTATION

The accompanying general purpose financial statements of DeSoto Parish Fire District No. 1 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 DeSoto Parish Police Jury is the financial reporting entity for DeSoto 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 No. 14 established criteria for determining which component units should be considered part of the DeSoto 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.
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 appoints a voting majority of the district's governing body, the district was determined to be a component unit of the DeSoto 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.

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

Notes to Financial Statements
December 31, 1998 and 1997

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions 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 governmental fund type (General Fund). The General Fund is the general operating fund of the district and is used to account for all of its financial activities.

D. FIXED ASSETS AND LONG-TERM DEBT

The district has not maintained detailed records of its general fixed assets for the years ended December 31, 1998 and 1997, consequently a balance sheet of general fixed assets is not presented in the accompanying financial statements.

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

E. 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 financial 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 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:

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

Notes to Financial Statements
December 31, 1998 and 1997

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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, ad valorem taxes and 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.

F. BUDGET PRACTICES

A preliminary budget prepared on the cash basis of accounting, for the ensuing year is prepared by the board of commissioners and made available to the public. The budget is then adopted during the regular December meeting. 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 must be approved by the board of commissioners. The district does not use encumbrance accounting in its accounting system.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget. The following reconciles the excess (deficiency) of revenues over expenditures as shown on the budget comparison Statement C (budget basis) to the same amount shown on Statement B (GAAP basis):

	1998	1997
Deficiency of revenues over expenditures (Budgetary basis)	\$ 47,286	\$ 57,412
Adjustments:		
Receivables	-	19,427
Payables	(137)	1,450
Excess of revenues over expenditures (GAAP basis)	\$ 47,149	\$ 78,289

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

Notes to Financial Statements
December 31, 1998 and 1997

G. CASH

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 principal offices in Louisiana. At December 31, 1998 and 1997, the district has cash (book balance) totaling \$33,576 and \$80,862, respectively.

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 bank. Cash (bank balance) at December 31, 1998 and 1997, is \$72,130 and \$81,277, respectively and is fully insured by federal deposit insurance.

H. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the 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. LEVIED TAX

On November 5, 1996, voters of the district approved a 5 mill ad valorem tax to be used for operations of the district. The tax will expire with the 2007 tax roll. On October 1, 1994, voters of the district approved an additional 10 mill ad valorem tax to be used for operations of the district in lieu of the annual service charge approved by voters on January 16, 1998. This millage was rolled up to 10.42 mills for the 1998 tax roll. This tax will expire with the 2003 tax roll. The authorized millage was levied and collected for 1998.

3. CAPITAL LEASES

The district records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 1998, the fire district has one capital lease in effect for a 1998 rescue truck and a pumper. The lease, entered into on February 15, 1997, requires eleven annual installments. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments as of December 31, 1998:

1999	\$ 32,575
2000	32,575
2001	32,575
2002	32,575
2003	32,575
2004-2007	130,300
Less amount representing interest	(71,513)
Present value of net minimum lease payments	<u>\$ 221,662</u>

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

Notes to Financial Statements
December 31, 1998 and 1997

4. **CHANGE IN GENERAL LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the years ended December 31, 1998 and 1997:

	<u>1998</u>	<u>1997</u>
Long-term debt payable at January 1	\$ 238,652	\$ 22,830
Additions	-	248,545
Retirements	(16,990)	(32,723)
Long-term debt payable at December 31	<u>\$ 221,662</u>	<u>\$ 238,652</u>

5. **LITIGATION AND CLAIMS**

The district is not involved in any litigation at December 31, 1998, nor is it aware of any unasserted claims.

6. **YEAR 2000 ISSUE**

Year 2000 is an issue arising from computers being programmed in prior years to use only two digits (under the assumption that the first two digits would always be 19) to identify the year when processing date-sensitive information. This method of identifying dates would cause problems when processing information with dates in the year 2000 or later. As a result, the systems that use only two digits to identify dates could process data incorrectly or stop functioning altogether. The effects of the year 2000 is expected to extend beyond systems and may equipment that is dependent on microchip technology.

As stated in Note 1, the Fire District provides fire protection to the citizens within the district. The execution of these services generally does not rely upon microchip technology since these services are not automated in nature. However, the effect of the year 2000 issue upon the Fire District's vendors, entities, and utility providers from which it obtains services has not been determined. As a result the effect of any of these entities' non-compliance with the year 2000 issue upon the Fire District has also not been determined.

For the year ended December 31, 1998, DeSoto Parish Fire District No. 1, incurred no material remediation costs concerning the year 2000 issue. No significant loss due to impairment of equipment that is not year 2000 compliant was recognized for the year ended December 31, 1998.

**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.



SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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Independent Accountant's Report On Applying Agreed-Upon Procedures

BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the DeSoto Parish Fire District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the DeSoto Parish Fire District No. 1's compliance with certain laws and regulations during the year ended December 31, 1998 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, 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 materials and supplies exceeding \$7,500, or public works exceeding \$50,000, 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 no expenditures made during the period under examination for materials and supplies exceeding \$7,500 or 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 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 list.

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.

None of the employees included on the list of employees provided by management in agreed-upon procedure 3 above appeared on the list provided by management in agreed-upon procedure 2 above.

Budgeting

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

Management provided us with a copy of the original budget. There was one amendment to the budget 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 November 20, 1997, which indicated that the budget had been adopted by the Board of Commissioners of the DeSoto Parish Fire District No. 1 by votes of all in favor and none opposed. There was one amendment which was approved in a meeting held on May 6, 1999. The amended budget was unanimously approved by the Board.

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.

The district's budget for the year ended December 31, 1998, did not include estimated revenues and other sources as required by LSA-RS 39:1304. We compared the expenditures of the final budget to actual expenditures and determined that actual expenditures did not exceed 5% of budgeted amounts. We recommend that the district comply with the Louisiana Local Government Budget Act in the future.

Accounting and Reporting

8. Randomly select six 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) All six selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) All six selected disbursements were coded correctly as shown on their Schedule of Receipts and Disbursements report.

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).

As per management, agendas were posted as required for each meeting held in 1998. During our compilation as of December 31, 1998, we noted that the meetings were being held on a regular basis.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loan, bonds, or like indebtedness.

We inspected copies of 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 board 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 employees which would constitute bonuses, advances, or gifts.

General

12. As reported during the district's previous compilations for the years ended December 31, 1997 and 1996, the district has not maintained general fixed asset records as required by generally accepted accounting principles and LSA-RS 24:515(b). We noted during our December 31, 1998 compilation that this has not been corrected. We recommend that the district establish and maintain the required records.
13. During our compilation as of December 31, 1998 and as reported for December 31, 1997 and 1996, we noted disbursements to the Internal Revenue Service and the Louisiana Department of Revenue for late filing of payroll reports. Penalties and interest are not proper expenditures of the fire district. We recommend that the district file all taxes on time to avoid such charges.

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 matter 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 DeSoto Parish Fire District No. 1 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.



Bossier City, Louisiana
April 22, 1999

Louisiana Attestation Questionnaire

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

DESOTO FIRE DISTRICT NO. 1

P.O. BOX 1088

LOGANSPOUT, LA. 71049

Mike L. Rabinowitz, CPA
Smith Pugh Rabinowitz L.L.P.
401 Hamilton Road, Suite 112
Bossier City, Louisiana 71111

Mr. Rabinowitz,

In connection with your compilation of our financial statements of the DeSoto Parish Fire Protection District No. 1 as of December 31, 1998, 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 April 20, 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 No N/A

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. No employees of 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 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 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 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 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 No N/A

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

Yes No N/A

MEETINGS

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

Yes 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 No N/A

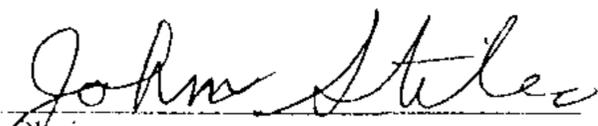
ADVANCES AND BONUSES

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 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.


Chairman

April 20, 1999
Date

DESOTO FIRE DISTRICT NO. 1

**P.O. BOX 1088
LOGANSPOUT, LA. 71049**

CORRECTIVE ACTION PLAN

June 8, 1999

Mr. Daniel G. Kyle, CPA
Legislative Auditor, State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

The Desoto Parish Fire District No. 1, Logansport, Louisiana, respectfully submits the following corrective action plan for the year ended December 31, 1998, for the Agreed-Upon Procedures Report:

FINDINGS RELATED TO FINANCIAL STATEMENTS**Findings Related to General****Finding within Item 12**

Recommendation: The Fire District should establish and maintain an inventory of all general fixed assets.

Action Taken: The Fire District will take a physical inventory of its equipment, and will assign a proper value to the land, buildings, and other improvements owned.

Sincerely,



John Stiles,
Chairman