

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1995

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

General Purpose Financial Statements
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December 31, 1995

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Independent Auditor's Report

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

I have audited the general purpose financial statements of the DeSoto Parish Fire District No. 1, a component unit of the DeSoto Parish Police Jury, as of December 31, 1995, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the DeSoto Parish Fire District No. 1. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Because of the inadequacy of accounting records for the general fixed asset account group, the accompanying general purpose financial statements do not include a balance sheet for the general fixed assets account group and related footnote disclosures as required by generally accepted accounting principles.

In my opinion, except that the omission of the balance sheet for general fixed assets results in an incomplete presentation, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the DeSoto Parish Fire District No. 1 as of December 31, 1995, and the results of its operations for each of the years in the two year period then ended, in conformity with generally accepted accounting principles.

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BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
Independent Auditor's Report,
December 31, 1995

In accordance with *Government Auditing Standards*, I have also issued a report dated June 26, 1996 on my consideration of DeSoto Parish Fire District No. 1's internal control structure and a report dated June 26, 1996 on its compliance with laws and regulations.

A handwritten signature in black ink, appearing to be 'Vernon R. ...', written in a cursive style.

West Monroe, Louisiana
June 26, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

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

Combined Balance Sheet, December 31, 1995

	GOVERNMENTAL FUND TYPE - GENERAL FUND	GENERAL LONG- TERM DEBT ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash	\$43,991		\$43,991
Receivables:			
Ad valorem taxes	127,368		127,368
State revenue sharing	3,242		3,242
Amount to be provided for retirement of general long-term debt		\$70,394	70,394
TOTAL ASSETS	<u>\$174,601</u>	<u>\$70,394</u>	<u>\$244,995</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$933		\$933
Capital lease payable		\$70,394	70,394
Total Liabilities	<u>933</u>	<u>70,394</u>	<u>71,327</u>
Fund equity - fund balance - unreserved - undesignated	<u>173,668</u>	NONE	<u>173,668</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$174,601</u>	<u>\$70,394</u>	<u>\$244,995</u>

The accompanying notes are an integral part of this statement.

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

Statement of Revenues, Expenditures,
and Changes in Fund Balance, By Years

	<u>1995</u>	<u>1994</u>
REVENUES		
Ad valorem taxes	\$143,074	\$138,652
Intergovernmental revenue - state funds:		
State revenue sharing	4,863	4,893
Fire insurance rebate	6,673	6,055
Fire protection service charges	520	34,398
Use of money and property - interest earnings	1,614	460
Other revenues	2,468	4,205
Total revenues	<u>159,212</u>	<u>188,663</u>
EXPENDITURES		
Public safety:		
Current:		
Personal services	29,634	10,632
Operating services	36,215	19,112
Materials and supplies	4,471	2,903
Travel and other	270	954
Debt service:		
Principal	50,633	46,427
Interest	8,033	6,550
Capital outlay	67,439	22,162
Total expenditures	<u>196,695</u>	<u>108,740</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(37,483)</u>	<u>79,923</u>
OTHER FINANCING SOURCES		
Sale of assets		3,650
Increase in capital lease	65,000	
Total other financing sources	<u>65,000</u>	<u>3,650</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	27,517	83,573
FUND BALANCE AT BEGINNING OF YEAR	<u>146,151</u>	<u>62,578</u>
FUND BALANCE AT END OF YEAR	<u>\$173,668</u>	<u>\$146,151</u>

The accompanying notes are an integral part of this statement.

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, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$141,027	\$148,982	\$7,955
Intergovernmental revenue - state funds:			
State revenue sharing		4,883	4,883
Fire insurance rebate		6,673	6,673
Fire protection service charge		520	520
Use of money and property - interest earnings		1,614	1,614
Other revenues		2,468	2,468
Total revenues	<u>141,027</u>	<u>165,140</u>	<u>24,114</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services	41,400	29,634	11,766
Operating services	31,571	36,479	(4,908)
Materials and supplies	4,695	3,796	899
Travel and other	2,500	320	2,180
Debt service	52,861	58,666	(5,805)
Capital outlay	8,000	2,439	5,561
Total expenditures	<u>141,027</u>	<u>131,333</u>	<u>9,694</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	33,807	33,807
FUND BALANCE AT BEGINNING OF YEAR	NONE	10,184	10,184
FUND BALANCE AT END OF YEAR	NONE	<u>\$43,991</u>	<u>\$43,991</u>

The accompanying notes are an integral part of this statement.

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, 1994

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$76,427	\$50,144	(\$26,283)
Intergovernmental revenue - state funds:			
State revenue sharing	5,000	5,092	92
Fire insurance rebate	6,000	6,055	55
Fire protection service charges	34,000	34,398	398
Use of money and property - interest earnings	400	460	60
Other revenues	4,200	4,205	5
Total revenues	<u>126,027</u>	<u>100,354</u>	<u>(25,673)</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services	41,400	10,632	30,768
Operating services	29,928	18,848	11,080
Materials and supplies	1,838	2,646	(808)
Travel and other		904	(904)
Debt service	52,861	52,977	(116)
Capital outlay		22,162	(22,162)
Total expenditures	<u>126,027</u>	<u>108,169</u>	<u>17,858</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	NONE	(7,815)	(7,815)
OTHER FINANCING SOURCE			
Sale of assets	<u>NONE</u>	<u>3,650</u>	<u>3,650</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	NONE	(4,165)	(4,165)
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>14,349</u>	<u>14,349</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>\$10,184</u>	<u>\$10,184</u>

The accompanying notes are an integral part of this statement.

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1995

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 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 general 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:

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
Notes to the Financial Statements (Continued)

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.

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.

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
Notes to the Financial Statements (Continued)

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 two years ended December 31, 1995, consequently a balance sheet of general fixed assets is not presented in the accompanying financial statements.

Long-term debt, such as certificates of indebtedness and capital leases, are 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 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 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 the Financial Statements (Continued)

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.

Service charges are recorded in the year the fees are due and payable. Service charges are assessed on March 1 of each year and become delinquent if not paid by May 31, however, there are no provisions for delinquent charges and liens cannot be placed on property for failure to pay such service charge.

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, intergovernmental revenues, and service charges 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 January 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.

DESOTO PARISH FIRE DISTRICT NO. 1
 Logansport, Louisiana
 Notes to the Financial Statements (Continued)

2. LEVIED TAX

On January 16, 1988, 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 1997 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, 1988. This tax will expire with the 2003 tax roll. The authorized millage was levied and collected for 1994 and 1995.

3. CAPITAL LEASES

The district records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 1995, the fire district had two capital leases in effect for three fire trucks. The lease entered into on June 23, 1989 requires seven annual payments of \$27,860. On May 11, 1994, the district entered into a second lease requiring three annual installments of \$24,079. 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, 1995.

1996	\$51,940
1997	<u>24,079</u>
Total minimum lease payments	76,019
Less amount representing interest	<u>(5,625)</u>
Present value of net minimum lease payments	<u><u>\$70,394</u></u>

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

The following is a summary of long-term debt transactions for the two years ended December 31, 1995:

	<u>Certificates of Indebtedness</u>	<u>Capital Lease</u>	<u>Total</u>
Long-term debt payable at January 1, 1994	\$30,000	\$72,453	\$102,453
Additions - 1995		65,000	65,000
Retirements:			
1994	(24,000)	(22,426)	(46,426)
1995	<u>(6,000)</u>	<u>(44,633)</u>	<u>(50,633)</u>
Long-term debt payable at December 31, 1995	<u><u>NONE</u></u>	<u><u>\$70,394</u></u>	<u><u>\$70,394</u></u>

DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
Notes to the Financial Statements (Continued)

The certificates of indebtedness were issued September 22, 1989 for the purpose of equipping, maintaining, and operating the fire district.

5. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1995, nor is it aware of any unasserted claims.

6. REVENUES - BUDGET AND ACTUAL

Revenues for the year ended December 31, 1994, failed to meet budgeted revenues by \$25,673 or 20 percent. No amendment was adopted as required by Louisiana Revised Statutes 39:1310.

**Independent Auditor's Reports on
Compliance With Laws and Regulations
and Internal Control Structure**

The following independent auditor's reports on compliance with laws and regulations and on the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Auditor's Report on
Compliance With Laws and Regulations**

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

I have audited the general purpose financial statements of the DeSoto Parish Fire District No. 1, a component unit of the DeSoto Parish Police Jury, as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated June 26, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the DeSoto Parish Fire District No. 1, is the responsibility of the DeSoto Parish Fire District No. 1's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the DeSoto Parish Fire District No. 1's compliance with certain provisions of laws and regulations. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, or contracts that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed the following instances of noncompliance.

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BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

**Need to maintain records
of general fixed assets**

Finding: The district has not maintained records of fixed assets as required by state law. Louisiana Revised Statute 24:515(b) requires that the district establish and maintain accounting records for all purchased or otherwise acquired fixed assets including the date of purchase, initial cost (or estimate if cost is not available), disposition, purpose of disposition, and recipient of disposed assets. The district's current list of fixed assets, which does not include cost or estimate of cost, was prepared from a physical inventory performed January 29, 1995.

Recommendation: The district should establish records of general fixed assets including the required information and update the records as changes occur.

Management's response: The board will implement the auditor's recommendations during the current year.

**Need to maintain accounting
records as prescribed by
the Legislative Auditor**

Finding: The district's accounting records for the two years ended December 31, 1995 consisted solely of checkbook records. Louisiana Revised Statute 24:515(a) requires that all accounts of public funds shall be kept in the form prescribed by the Legislative Auditor. The district did not follow examples provided during the previous audit. Therefore, transactions had to be recapped to produce financial statements.

Recommendation: The district should establish accounting records and a chart of accounts as prescribed by the Legislative Auditor's Fiscal Manual for Louisiana local governments.

Management's response: The board will implement the auditor's recommendations during the current year.

BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

**Need to comply with Local Government
Budget Act**

Finding: The district adopted the 1994 and 1995 budgets on January 19, 1994 and January 19, 1995, respectively. Also, actual 1994 revenues failed to meet budgeted revenues by \$25,673 or 20%. Louisiana Revised Statutes 39:1308 and 1310 require that the district adopt an annual budget for its General Fund prior to the beginning of each year and amend that budget when any of the following conditions exist:

- A) Year-to-date plus projected revenues and other sources for the remainder of the year are failing to meet total budgeted revenues and other sources by five percent or more.
- B) Year-to-date plus projected expenditures and other uses for the remainder of the year are exceeding total budgeted expenditures and other uses by five percent or more.
- C) Actual beginning fund balance fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Recommendation: The district should comply with all aspects of the Local Government Budget Act.

Management's response: The board will implement the auditor's recommendation during the current year.

I considered these instances of noncompliance in forming my opinion on whether the DeSoto Parish Fire District No. 1's general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated June 26, 1996, on those general purpose financial statements.

BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
Independent Auditor's Report
on Compliance, etc.,
December 31, 1995

The audit report for the two years ended December 31, 1993, included findings related general fixed asset records, accounting records, and failure to adopt budgets. Those findings not referred to above have been resolved by management of the fire district.

This report is intended for the information of the board of commissioners of the DeSoto Parish Fire District No. 1 and management of the district. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be "C. J. ...", written in a cursive style.

West Monroe, Louisiana
June 26, 1996



**Independent Auditor's Report
on the Internal Control Structure**

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

I have audited the general purpose financial statements of the DeSoto Parish Fire District No. 1, a component unit of the DeSoto Parish Police Jury, as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated June 26, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of DeSoto Parish Fire District No. 1 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the DeSoto Parish Fire District No. 1 for the two years ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control

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BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 1
Logansport, Louisiana
Independent Auditor's Report
on Internal Control, etc.,
December 31, 1995

risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

The audit report for the two years ended December 31, 1993, included a finding related to adequate documentation of expenditures. This finding has been resolved by management.

This report is intended for the information of the board of commissioners of the DeSoto Parish Fire District No. 1 and management of the district. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
June 26, 1996