

0
FILE

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

00 JUL 2 AM: 58

DESOTO PARISH FIRE PROTECTION
DISTRICT NO. 5
STANLEY, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
WITH ACCOUNTANT'S COMPILATION REPORT
AND AGREED-UPON PROCEDURES REPORT

As of and for the year ended
December 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 8-11-99

Deborah D. Dees, MBA, CPA
122 Jefferson Street
Mansfield, Louisiana 71052
318-872-3007

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5
Stanley, Louisiana

General Purpose Financial Statements
As of and for the Year Ended December 31, 1998

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Accountant's Compilation Report		2
General Purpose Financial Statements		
Combined Balance Sheet- All Fund Types and Account Groups	A	3
Statement of Revenues, Expenditures, and Changes in Fund Balances -General Fund	B	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Governmental Fund Type General Fund	C	5
Notes to the Financial Statements		6-10
Accountant's Report on Applying Agreed-Upon Procedures		11-15
Louisiana Attestation Questionnaire		16-18
Data Collection Form		19

Deborah D. Dees, MBA, CPA



122 JEFFERSON STREET • MANSFIELD, LOUISIANA 71052 • (318) 872-3007 • FAX (318) 872-1357

CERTIFIED PUBLIC ACCOUNTANT

Accountant's Compilation Report

Board of Directors
DeSoto Parish Fire Protection District No. 5
Stanley, Louisiana

I have compiled the accompanying general purpose financial statements of DeSoto Parish Fire Protection District No. 5 as of and for the year ended December 31, 1998, as required by Louisiana Revised Statute 24:513. The general purpose financial statements are compiled 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.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated June 23, 1999, on the results of our agreed-upon procedures.

Deborah D. Dees, CPA

Certified Public Accountant
Mansfield, Louisiana

June 23, 1999

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5
Stanley, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet
December 31, 1998

	GOVERNMENTAL FUND	FIDUCIARY FUND	ACCOUNT GROUP	
	GENERAL FUND	AGENCY FUND	GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS				
Checking	\$ 75,118	5,383	\$	\$ 80,501
Certificate of Deposit	10,000			10,000
Ad Valorem Taxes Receivable	74,774			74,774
Fixed Assets			448,633	448,633
TOTAL ASSETS	\$ 159,892	\$ 5,383	\$ 448,633	\$ 613,908
LIABILITIES AND FUND EQUITY				
Accounts Payable	\$ 858	\$	\$	\$
Due to other funds				
TOTAL LIABILITIES	858			858
Fund Equity:				
Investment in Fixed Assets			448,633	448,633
Fund Balance - Unreserved	159,034	5,383		164,417
TOTAL FUND EQUITY	159,034	5,383	448,633	613,050
TOTAL LIABILITIES AND FUND EQUITY	\$ 159,892	\$ 5,383	\$ 448,633	\$ 613,908

See accompanying notes and accountant's compilation report.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5
Stanley, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 1998

REVENUES:

Ad Valorem taxes	\$	78,208
Intergovernmental revenue-State funds		
Revenue Sharing		4,331
Insurance Rebate		3,120
Use of money interest earnings		2,435
Other Revenues		909
TOTAL REVENUES		<u>89,003</u>

EXPENDITURES

Operations		13,775
Insurance		9,819
Administration		5,503
Capital Outlays		-
TOTAL EXPENDITURES		<u>29,097</u>
EXCESS OF REVENUES OVER EXPENDITURES		59,906
FUND BALANCE, BEGINNING OF YEAR		99,128
FUND BALANCE, END OF YEAR	\$	<u><u>159,034</u></u>

See accompanying notes and accountant's compilation report.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5
Stanley, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad Valorem taxes	\$ 83,000	\$ 78,208	\$ (4,792)
Intergovernmental revenue-State funds			
Revenue Sharing	4,500	4,331	(169)
Insurance rebate	2,500	3,120	620
Use of money interest earnings	3,000	2,435	(565)
Other Revenues	-	909	909
TOTAL REVENUES	<u>93,000</u>	<u>89,003</u>	<u>(3,997)</u>
EXPENDITURES			
Operations	12,100	13,775	(1,675)
Insurance	10,000	9,819	181
Administration	5,850	5,503	347
Capital Outlays	-	-	0
TOTAL EXPENDITURES	<u>27,950</u>	<u>29,097</u>	<u>(1,147)</u>
EXCESS OF REVENUES OVER EXPENDITURES	65,050	59,906	(5,144)
FUND BALANCE, BEGINNING OF YEAR	99,128	99,128	
FUND BALANCE, END OF YEAR	<u>\$ 164,178</u>	<u>\$ 159,034</u>	<u>\$ (5,144)</u>

See accompanying notes and accountant's compilation report.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1998

INTRODUCTION

DeSoto Fire Protection District No.5 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on April 16, 1988. The district is governed by a five-member board appointed in accordance to LRS 40:1496 as follows: two members by the police jury, two members by the Village of Stanley, and one by the other four members. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the DeSoto Parish Fire Protection District No. 5 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 (policy 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 statement to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the DeSoto Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organization 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 and has the ability to impose its will on the district, the district was determined to be a component unity 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 policy jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5
Stanley, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

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 relating to certain government functions or activities.

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

Funds of the district are classified as governmental and fiduciary. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

General Fund--the operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, or on behalf of other funds within the district. The fiduciary fund of the district includes:

Agency Fund--accounts for assets that the district holds on behalf of the Ladies' Auxiliary as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

The major source of revenue (ad valorem taxes) is recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures

Expenditures are generally recorded when the related fund liability is incurred, if measurable.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1998

E. BUDGET

The district is required by state law to adopt an annual budget. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

A proposed budget is prepared by the governing board in November and made available for public inspection no later than 15 days prior to December 31, of each year. In open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the District. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The budget was amended during the year.

F. 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 their principal offices in Louisiana.

At December 31, 1998, the district has cash in demand and interest-bearing demand deposits totaling \$85,118 (book balance.) These deposits are stated at cost, which approximates market. Under state law, these deposits 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. At December 31, 1998, the district has \$85,177 (bank balance) in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance.

G. ACCOUNTS RECEIVABLE

The District deems all the receivables as collectible and does not record an allowance for doubtful accounts.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at actual historical cost. No depreciation has been provided on general fixed assets.

I. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are 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.

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5

Stanley, Louisiana

Notes to the Financial Statements

As of and for the Year Ended December 31, 1998

2. LEVIED TAXES

The District levies taxes on real and business personal property located within the boundaries of the District. Property taxes are levied by the District on property values assessed by the DeSoto Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

Property Tax Calendar:

Assessment date	January 1, 1998
Levy date	June 30, 1998
Tax bills mailed	October 15, 1998
Total taxes are due	December 31, 1998
Penalties & interest added	January 31, 1999
Tax sale	May 15, 1999

The District has authorized and levied a 9.47 mills. This levy was renewed for the year 1998 and expires in the year 2007. Ad valorem taxes are recorded in the year the taxes are assessed. The taxes are normally collected in December of the current year and January and February of the ensuing year. Total assessed value was \$8,258,378 in 1998. Louisiana state law exempted the first \$7,500 of assessed value of taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$1,739,882 in 1998. Total ad valorem tax revenues recognized in 1998 by the District was \$78,208.

The following are the principal taxpayers for the district:

Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Southwestern Electric	\$ 1,623,255	19.7%
Northeast Texas Electric	1,113,942	13.5%
Central La. Electric	536,130	6.5%
Southern Natural Gas	484,070	5.9%
Phillips Petroleum Co.	447,761	5.4%
Pioneer Natural Res USA	356,690	4.3%
IP N-S Assets, L.P.	285,963	3.5%
MCI Telecommunications Corp	239,450	2.9%
Texas Eastern Transmission	220,250	2.7%
Energas Company	172,180	2.1%
Total	<u>\$ 5,479,691</u>	<u>66.4%</u>

DESOTO PARISH FIRE PROTECTION DISTRICT NO. 5
Stanley, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deductions	Balance, December 31, 1998
Fire equipment	\$ 352,560	-	-	\$ 352,560
Land & Buildings	96,073	-	-	96,073
Total	\$ 448,633			\$ 448,664

4. LITIGATION AND CLAIMS

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

5. SUBSEQUENT EVENT

The Fire District approved on December the issuance of \$50,000 in Certificates of Indebtedness during 1999. The certificates will be secured by an irrevocable pledge of the funds derived by the District's 9.47 mills ad valorem tax revenue.

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*, 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 Directors
DeSoto Parish Fire Protection District No 5
Stanley, LA

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of DeSoto Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about DeSoto Parish Fire Protection District No. 5'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, 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 \$5,000, 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 the disbursement journal for the year. The review did not disclose any expenditures made for public works exceeding \$50,000. The review also did not disclose any expenditures for materials and supplies exceeding \$5,000.

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.

The Board 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 Board provided me 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.

A review of the disbursement journal did not indicate any employees.

Budgeting

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

Management provided me with a copy of the original budget for the general fund.

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

I could not trace the adoption of the original budget to the minutes. A budget was amended at a meeting held May 11, 1998 and again on February 8, 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.

LSR 39:1309-1310 requires that the fire district adopt a budget amendment when revenues and other sources to date plus projected amounts for the remainder of the year are failing to meet budgeted amounts by five percent or more and/or when expenditures and other used to date plus project amounts for the remainder of the year are exceeding budgeted amounts by five percent or more. I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%, except that ad valorem tax revenue was under budget by 5.8% and expenditures for operations were 13.8% in excess of amounts budgeted for the year.

BOARD RESPONSE: An original budget was adopted in the December, 1997, meeting, but not documented. A new treasurer was elected when the former treasurer resigned and the bookkeeping is not exactly compatible with the financial reporting, but the budget will be more closely monitored.

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;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

b. determine if payments were properly coded to the correct fund and general ledger account;

The payments were found to be coded to the correct fund and general ledger accounts.

- c. determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approvals from board members .

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 open meetings law)

DeSoto Parish Fire Protection District No. 5 is required to post a notice of each meeting and the accompanying agenda on the door of the district's meeting place. Management has asserted that such documents were properly posted, and I noted the posted agendas on several occasions when I visited the Fire Station. There were also copies of initialed and dated agendas in the files.

BOARD RESPONSE: The meeting times are posted on a "lettered marquee sign" outside the building. The agenda notice will be posted on the building 24 hours prior to each meeting, and a dated copy will be kept in the files.

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

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted.

Prior Year Comments and Recommendations

12. We reviewed any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved. In the agreed-upon procedures engagement for the year ended June 30, 1997, the following were reported:

I reported that actual amounts exceeded budgeted amounts by 5%. This continues to be a problem as stated previously, but with the differences in bookkeeping and financial reporting the total differences are difficult to adjust at year end. The bookkeeping budget to actual is monitored closely

DeSoto Parish Fire Protection District No. 5
Page 4
June 22, 1998

I reported that there was no indication that an agenda was posted. This comment has been resolved by management.

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 DeSoto Fire Protection District No. 5 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.

Deborah A. Ales, CPA

Mansfield, Louisiana
June 23, 1999

Louisiana Attestation Questionnaire

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

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

January 18, 1999 (Date Transmitted)

Deborah D. Dees, CPA
122 Jefferson Street
Mansfield, LA 71052 (Auditors)

In connection with your compilation of our financial statements as of [date] 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 regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 1/18/99 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39/34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410:65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Robert W. Elliott Secretary JAN 18, 1999 Date

Robert W. Elliott Treasurer JAN 18, 1999 Date

Milton M. Baker President JAN 18, 1999 Date