

DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, Louisiana

General Purpose Financial Statements
With Accountants' Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 2003

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.

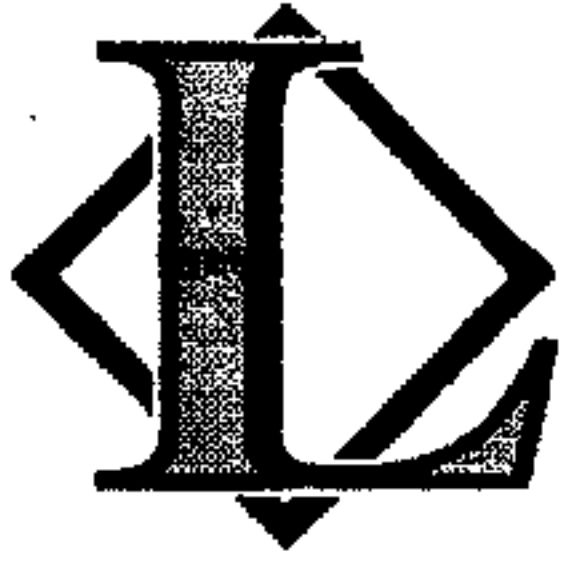
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DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, Louisiana

General Purpose Financial Statements
With Accountants' Compilation Report
As of and for the Year Ended
December 31, 2003

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LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

Accountants' Compilation Report

BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, 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. 9 as of December 31, 2003, 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. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

Little & Associates

Monroe, Louisiana
March 26, 2004

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet
December 31, 2003

	GOVERNMENTAL ...FUND TYPE...		...ACCOUNT GROUPS...		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	DEBT SERVICE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
ASSETS					
Cash and cash equivalents	\$91,944	\$152,232			\$244,176
Receivables:					
Ad valorem taxes	47,116	27,634			74,750
State revenue sharing	3,228				3,228
Utility deposit	125				125
Land, buildings, and equipment			\$553,892		553,892
Amount available in debt service fund				\$179,866	179,866
TOTAL ASSETS	\$142,413	\$179,866	\$553,892	\$179,866	\$1,056,037
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$386				\$386
Due to Others				\$13,866	13,866
Bonds payable				166,000	166,000
Total Liabilities	<u>386</u>	<u>NONE</u>	<u>NONE</u>	<u>179,866</u>	<u>180,252</u>
Fund Equity:					
Investment in general fixed assets			\$553,892		\$553,892
Fund balance:					
Reserved for debt service		\$179,866			179,866
Unreserved - undesignated	\$142,027				142,027
Total Fund Equity	<u>142,027</u>	<u>179,866</u>	<u>553,892</u>	<u>NONE</u>	<u>875,785</u>
TOTAL LIABILITIES AND FUND EQUITY	\$142,413	\$179,866	\$553,892	\$179,866	\$1,056,037

See accompanying notes and accountants' compilation report.

DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, Louisiana
GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2003

	GENERAL FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
REVENUES			
Ad valorem taxes	\$57,719	\$33,812	\$91,531
Intergovernmental revenues - state funds:			
State revenue sharing	4,841		4,841
Fire insurance rebate	4,079		4,079
Proceeds from grant	27,086		
Use of money and property	1,908	1,654	3,562
Total revenues	95,633	35,466	131,099
EXPENDITURES			
Public safety -current:			
Operating services	56,451		56,451
Materials and supplies	1,428		1,428
Training	651		651
Capital outlay	16,158		16,158
Debt service		32,763	32,763
Total expenditures	74,688	32,763	107,451
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	20,945	2,703	23,648
FUND BALANCES AT BEGINNING OF YEAR	121,082	177,163	298,245
FUND BALANCES AT END OF YEAR	\$142,027	\$179,866	\$321,893

See accompanying notes and accountants' compilation report.

DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$49,175	\$55,905	\$6,730
Intergovernmental revenue - state funds:			
State revenue sharing	4,500	4,615	115
Fire insurance rebate	3,675	4,079	404
Proceeds from grant		27,086	27,086
Use of money and property	2,100	1,907	(193)
Total revenues	<u>59,450</u>	<u>93,592</u>	<u>34,142</u>
EXPENDITURES			
Public safety - current:			
Operating services	52,950	57,266	(4,316)
Materials and supplies	4,000	1,869	2,131
Training	2,500	651	1,849
Capital outlay	<u>NONE</u>	<u>16,158</u>	<u>(16,158)</u>
Total expenditures	<u>59,450</u>	<u>75,944</u>	<u>(16,494)</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	17,648	17,648
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>74,422</u>	<u>74,422</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>\$74,422</u>	<u>\$74,422</u>

See accompanying notes and accountants' compilation report.

DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DeSoto Parish Fire District No. 9 was created by the DeSoto Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on April 9, 1986. 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 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.

DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, 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 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 DeSoto 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 governmental fund type. The governmental fund types of the district are described as follows:

DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, Louisiana
Notes to the Financial Statements (Continued)

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 an ad valorem tax approved by voters of the district, state fire insurance rebates, state revenue sharing, and interest earnings on investments.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

**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 94 per cent of general fixed assets are valued at actual cost while the remaining 6 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.

DESOTO PARISH FIRE DISTRICT NO. 9

Frierson, Louisiana

Notes to the Financial Statements (Continued)

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:

Revenues

Ad valorem taxes and the related state revenue sharing are budgeted 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 subsequent year.

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

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

Based on the above criteria, ad valorem taxes, state revenue sharing, 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

The proposed budgets, prepared on the cash basis of accounting, were prepared and adopted by the board of commissioners in December, 2002. The budget is established and controlled by the board of commissioners at the object level of expenditure. Encumbrance accounting is not utilized in the district's records. Appropriations lapse at year-end and

DESOTO PARISH FIRE DISTRICT NO. 9
 Frierson, Louisiana
 Notes to the Financial Statements (Continued)

must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

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 of revenues over expenditures as shown on the budget comparison Statement C (budget basis) to the same amounts shown on Statement B (GAAP basis):

Excess (Deficiency) of revenues over expenditures (Budgetary basis)	\$17,648
Adjustments:	
Receivables	883
Payables	<u>2,414</u>
Excess of revenues and other source over expenditures (GAAP basis)	<u>\$20,945</u>

F. CASH AND CASH EQUIVALENTS

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, 2003, the district has cash and cash equivalents (book balances) totaling \$244,176 as follows:

Demand deposits	\$188,000
Time deposits	56,076
Petty Cash	<u>100</u>
Total	<u>\$244,176</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2003, are secured as follows:

DESOTO PARISH FIRE DISTRICT NO. 9
 Frierson, Louisiana
 Notes to the Financial Statements (Continued)

Bank Balances	<u>\$244,443</u>
Federal deposit insurance	\$156,076
Pledged securities (uncollateralized)	<u>271,100</u>
Total	<u>\$427,176</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the fire district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the fire district's name.

G. 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, 2003.

H. TOTAL COLUMN ON THE BALANCE SHEET

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

DESOTO PARISH FIRE DISTRICT NO. 9
 Frierson, Louisiana
 Notes to the Financial Statements (Continued)

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
District taxes:			
General maintenance	10.23	10.23	2008
Debt service	variable	6.00	2009

The following are the principal taxpayers for the parish and their 2003 assessed valuation:

	<u>2003 Assessed Valuation</u>	<u>Per cent of Total Assessed Valuation</u>
International Paper Co.	\$35,844,420	17.60%
Central LA Electric Co.	32,749,448	16.08%
Southwestern Electric Power	29,477,721	14.48%
Dolet Hills Lignite Co.	4,154,310	2.04%
El Paso Production Company	3,329,430	1.64%
Northeast Texas Electric	2,738,560	1.35%
Bell South Telecommunications	2,515,700	1.24%
J-W Operating Co.	1,932,210	0.95%
Oklahoma Municipal Power	1,843,960	0.91%
Hibernia National Bank	<u>1,748,865</u>	<u>0.86%</u>
Total	<u>\$116,334,624</u>	<u>57.14%</u>

3. **CHANGES IN GENERAL FIXED ASSETS**

The following presents the changes in general fixed assets for the year ended December 31, 2003:

	<u>Balance January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31,</u>
Land and buildings	\$150,801			\$150,801
Fire fighting equipment	380,514			380,514
Office equipment	<u>5,919</u>	<u>\$16,658</u>		<u>22,577</u>
Total	<u>\$537,234</u>	<u>\$16,658</u>	<u>NONE</u>	<u>\$553,892</u>

DESOTO PARISH FIRE DISTRICT NO. 9
 Frierson, Louisiana
 Notes to the Financial Statements (Continued)

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

The following is a summary of long-term debt transactions for the year ended December 31, 2003:

	<u>2001 Refunding Bonds</u>
Bonds payable at January 1, 2003	\$189,000
Additions	NONE
Reductions	<u>(23,000)</u>
Bonds payable at December 31, 2003	<u>\$166,000</u>

The general obligation refunding bonds payable at December 31, 2003 were issued April 28, 2000 for the refunding of the principal amount of outstanding general obligation bonds of the District, Series 1989. Annual installments of \$23,000 to \$32,000 are due through June 1, 2009 with interest at 5.5 per cent. Debt retirement payments are made from the Debt Service Fund.

The annual requirements to amortize all general long-term debt outstanding at December 31, 2003, including interest of \$29,040 are as follows:

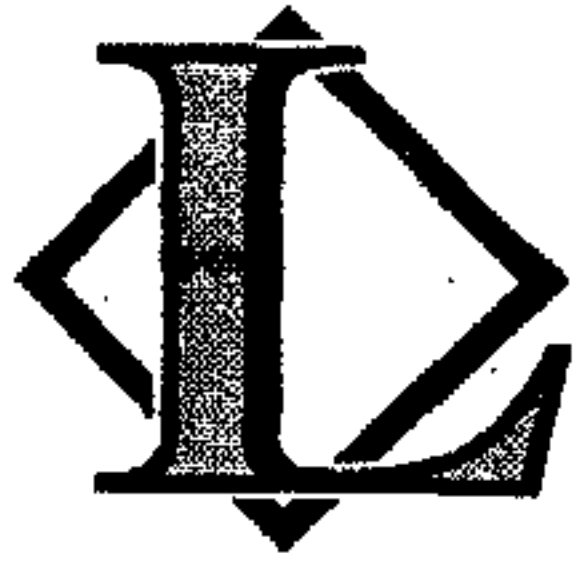
<u>Year</u>	
2004	\$31,498
2005	33,150
2006	31,720
2007	33,208
2008	32,585
2009	<u>32,880</u>
Total	<u>\$195,041</u>

5. **LITIGATION AND CLAIMS**

The district is not involved in any litigation at December 31, 2003, nor is it aware of any unasserted claims.

**Independent Accountants' Report on Applying
Agreed-Upon Procedures**

The following independent accountants' 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.



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

BOARD OF COMMISSIONERS
DESOTO PARISH FIRE DISTRICT NO. 9
Frierson, Louisiana

We 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 District No. 9 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about DeSoto Parish Fire District No. 9's compliance with certain laws and regulations during the year ended December 31, 2003 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 \$15,000/\$20,000, as applicable, 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 did not disclose any expenditures made for materials and supplies exceeding \$15,000/\$20,000, as applicable, or any expenditures made for public works exceeding \$100,000.

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.

DESOTO PARISH FIRE DISTRICT NO. 9
Independent Accountants' Report on
Applying Agreed Upon Procedures
December 31, 2003

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.

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.

The district has no employees.

Budgeting

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

Management provided us with a copy of the original budget. There were no amendments 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 December 9, 2002, which indicated that the Board of Commissioners of the DeSoto Parish Fire District No. 9 made a motion, which passed, adopting the budget. There were no amendments to the budget.

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.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted amounts.

Finding 03-01:

Actual expenditures exceeded budgeted amounts by 28%. DeSoto Parish Fire District No. 9 failed to make budget amendments for estimated capital outlay expenditures related to the purchase of equipment under a Rural Development grant for the year ended December 31, 2003.

Accounting and Reporting

DESOTO PARISH FIRE DISTRICT NO. 9
Independent Accountants' Report on
Applying Agreed Upon Procedures
December 31, 2003

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) The six payments were coded to the correct fund and general ledger account.
- (c) Approval for the payment of each of the six disbursements was indicated in the minutes of the board meetings. None of the six disbursements indicated approval from any board members on the actual invoices.

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).

We inquired of management whether agendas for meetings were posted at the meeting place at least twenty-four hours prior to the meeting. Management stated that agendas were posted and a copy is retained by the bookkeeper.

Debt

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

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

DESOTO PARISH FIRE DISTRICT NO. 9
Independent Accountants' Report on
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December 31, 2003

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 disbursements journals for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the DeSoto Parish Fire District No. 9 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little Associates

Monroe, Louisiana

March 26, 2004

Louisiana Attestation Questionnaire

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

Little & Associates, CPAs
805 North 31st Street
P.O. Box 4058
Monroe, LA 71211

Little & Associates,

In connection with your compilation of our financial statements of the DeSoto Fire District No. 9 as of December 31, 2003 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 March 26, 2004.

PUBLIC BID LAW

1. 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 N/A

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. 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 which would constitute a violation of LSA-RS 42:1101-1124.

Yes No N/A

3. 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 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 39:34.

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

ADVANCES AND BONUSES

10. 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 [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 noncompliance which may occur subsequent to the issuance of your report.

Karen Shailkin

6-20-04

Date

DeSoto Fire District #9
P O Box 124
Frierson, LA 71027

Legislative Auditor
Baton Rouge, LA 70804

Re: DeSoto Fire District #9
Corrective Action concerning buget

In response to the auditors' finding that compliance with the state budgeting requirements was not met we respond as follows:

This was the first time that the fire department received a grant; it never occurred to us that it should be included in the budget.

In the future, should the fire department receive any funds other than the normal deposits from property tax, state revenue sharing, and/or bonds we will either amend the budget to include such funds or communicate with the auditors to find out what action should, if any, be taken.

We apologize for the inconvenience this has caused and vow to make the necessary corrections in a timely fashion in the future.

Sincerely yours,



Karen M Thrailkill, Secretary/Treasurer
June 21, 2004