

QUITHAN FIRE PROTECTION DISTRICT NO. 1
 Jackson Parish, Louisiana
 Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position 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. LATELY TAXES

The District was authorized and levied a 18.00 mill ad valorem tax for the year ended December 31, 1996 and a 10.00 mill ad valorem tax for the year ended December 31, 1999.

3. CASH AND CASH EQUIVALENTS

At December 31, 1996, the District has cash and cash equivalents (bank balances) totaling \$12,511, as follows:

Interest-bearing demand deposits	\$10,994
Time deposit	<u>11,517</u>
Total	<u>\$12,511</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 posted 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. At December 31, 1996, the District has \$12,511 in deposits (reflected bank balances). These deposits are secured from risk by \$12,511 of federal deposit insurance.

4. FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 1995	Additions	Deletions	Balance December 31, 1996
Buildings	\$11,671			\$11,671
Furniture and equipment	<u>175,367</u>	<u>32,485</u>		<u>207,852</u>
Total	<u>\$187,038</u>	<u>\$32,485</u>	<u>\$0</u>	<u>\$129,523</u>

The additions include a \$12,080 donation from the Jackson Parish Police Jury.

5. PENSION PLANS

The District does not participate in any pension or retirement plans.

QUITMAN FIRE PROTECTION DISTRICT NO. 1
Jackson Parish, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1986

INTRODUCTION

The Quitman Fire Protection District No. 1 of Jackson Parish is located in the northern portion of Jackson Parish in northeast Louisiana. As provided by Louisiana Revised Statute 48:1495, the District is governed by a Board of Commissioners consisting of five members: two members are appointed by the Jackson Parish Police Jury; two members are appointed by the mayor and board of aldermen of Quitman, Louisiana; and one member who serves as chairman, is elected by the four appointed board members. Commissioners are residents of the District and serve staggered one and two year terms. The members of the Board of Commissioners do not receive compensation.

The District was created to provide safety for the prevention and control of fires within the approximate 88 square mile area of the District. The District has acquired land, buildings, and equipment in the effort to achieve its goals. Residents of the district serve as volunteer firemen.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District 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 Jackson Parish Police Jury is the financial reporting entity for Jackson 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 Statement No. 14 established criteria for determining which component units should be considered part of the Jackson 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. 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.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

As stated in procedure (3), the district has no employees.

budgeting

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

Management provided us with a copies of the original budgets. The budgets were amended.

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

We traced the adoption of the original 1995 budget to the minutes of a meeting held on April 29, 1995 which indicated that the budget had been approved by all of the commissioners. We traced the amendments to the minutes of a meeting held on November 28, 1995 which indicated that the amended budget had been approved by all of the commissioners.

We traced the adoption of the original 1996 budget to the minutes of a meeting held on December 29, 1995 which indicated that the budget had been approved by all of the commissioners. We traced the amendments to the minutes of a meeting held on December 18, 1996 which indicated that the amended budget had been approved by all of the commissioners.

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 more than 5%.

For the year ended December 31, 1995, we compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did exceed budgeted revenues by more than 5%. Actual expenditures did not exceed budgeted amounts.

For the year ended December 31, 1996, we compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not exceed budgeted revenues by more than 5%. Actual expenditures did not exceed budgeted amounts.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

For the year ended December 31, 1995, we examined supporting documentation for five of the six selected disbursements and found that payment was for the proper amount and made to the correct payee. The supporting documentation, of an \$80 check payable to Louisiana State University, for training materials could not be located.

For the year ended December 31, 1996, we 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; and

The above supported disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

The disbursements were traced to the district's minute book where they were approved by the commissioners.

QUITMAN FIRE PROTECTION DISTRICT NO. 1
Jackson Parish, Louisiana
Notes to the Financial Statements (Continued)

6. OPERATING LEASE

On February 12, 1987, the District entered into a ten year operating lease with the Village of Quitman for the use of the fire station in Quitman, Louisiana. The lease payments are based upon the cost of the building, amounting to \$17,664, to the Village of Quitman plus interest of 4% per annum. The lease provided for ten annual installment payments with the final payment in 1996.

7. LITIGATION AND CLAIMS

The District is not involved in any litigation as December 31, 1996.

Meetings

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

The Quitman Fire Protection District No. 1 is only required to post a notice of each meeting, and the accompanying agenda on the door of the district's office building. Management has informed us that these documents were properly posted.

Bank

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 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 Payments

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.

As stated in procedure (5), the district has no employees. A reading of the minutes of the district for the year indicated no approval for the payments noted.

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 Quitman Fire Protection 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.



KENNETH D. HOLDSON & CO.
Certified Public Accountants

Jonesboro, Louisiana
May 26, 1997

QUITMAN FIRE PROTECTION DISTRICT NO. 1
Jackson Parish, Louisiana
Notes to the Financial Statements (Continued)

E. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF ACCOUNTING (CONTINUED)

Revenues (Continued)

All valuations taxes are collected by the Jackson Parish Tax Collector and remitted to the Quitman Fire Protection District No. 1. Therefore, amounts received during the current period are recognized as revenue and amounts collected by the Tax Collector during the current period and received by the District within 60 days after December 31 are recorded as a receivable.

Intergovernmental revenues are recorded when the District is entitled to the funds. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

E. BUDGETS

Budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgets are made available for public inspection at the time of adoption. The Board of Commissioners must meet and approve all budget changes or amendments. At year end, all appropriations lapse. Budget amounts for the two years ended December 31, 1996, are as amended.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash and cash equivalents of the District include an interest-bearing demand deposit and a time deposit. 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.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

I. COMPENSATED ABSENCES

There are no accumulated and vested benefits relating to vacation and sick leave as the District has no employees.

QUITTAN FIRE PROTECTION DISTRICT NO. 1

Jackson Parish, Louisiana

Notes to the Financial Statements (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

Because the police jury approves the organization's governing body, and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury, the District was determined to be a component unit of the Jackson 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 a fund 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 aggregating 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 financial resources.

Funds of the District are classified in one category: governmental. This category is divided into one fund type. A description of this fund classification and the fund type follows:

Governmental Funds

Governmental funds account for all of the District's general activities, including the collection and disbursement of specific or legally restricted monies, and acquisition or construction of general fund assets, and the servicing of general long-term obligations. Governmental funds include:

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

B. BASIS OF ACCOUNTING

The accounting and financial 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 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 all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

All valorem taxes are assessed on a calendar year basis by the Tax Assessor of Jackson Parish. The Jackson Parish Tax Collector sends notices to property owners in either September or October. Taxes are due from property owners upon receipt of notice. Billed taxes become delinquent on December 31 of the current year. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. The taxes are generally collected in December of the current year and January and February of the ensuing year.

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These accounts
derive from the
books and records
of the

17-00000-000
STATE OF MISSISSIPPI

QUITMAN FIRE PROTECTION DISTRICT NO. 1
A COMPONENT UNIT OF THE JACKSON PARISH POLICE JURY
JACKSON PARISH, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND ACCOUNTANTS' COMPILATION REPORT
AS OF AND FOR THE TWO YEARS ENDED DECEMBER 31, 1994

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and approved 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 200 16 1997

KENNETH B. FOLDEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

201 EIGHTH STREET, MONROE, LA 71201
(504) 235-7000
FAX (504) 235-7222

QUITHAN FIRE PROTECTION DISTRICT NO. 1
A Component Unit of the Jackson Parish Police Jury
Jackson Parish, Louisiana

General Purpose Financial Statements
and Accountants' Compilation Report
As of and for the Two Years Ended December 31, 1996

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Kenneth D. Foiden & Co.
Certified Public Accountants

Kenneth D. Foiden, CPA

Ed W. Sandelin, CPA

Members
Society of Louisiana
Certified Public Accountants

801 Eighth Street
Juno Beach, LA 71351
(504) 295-1144
FAX (504) 295-7008

Members
American Institute of
Certified Public Accountants

ACCOUNTANTS' COMPILATION REPORT

John Karamough, President
and Members of the Board of Commissioners

Quitman Fire Protection District No. 1
P. O. Box 88
Quitman, LA 71268

We have compiled the accompanying general purpose financial statements of the Quitman Fire Protection District No. 1, Jackson Parish, Louisiana, a component unit of the Jackson Parish Police Jury, in accordance with standards established by the American Institute of Certified Public Accountants.

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


KENNETH D. FOIDEN & CO.
Certified Public Accountants

Juno Beach, Louisiana
May 26, 1997

QUITHAN FIRE PROTECTION DISTRICT NO. 1
Jackson Parish, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet, December 31, 1996

GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
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ASSETS AND OTHER DEBITS

Assets:

Cash and cash equivalents	531,511	531,511
Accounts receivable - Ad valorem taxes	31,858	31,858
Land, plant, and equipment		179,319
TOTAL ASSETS	563,369	742,688

LIABILITIES, EQUITY AND OTHER CREDITS

Liabilities:

Accounts payable	31,858	31,858
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Equity:

Investment in general fixed assets		179,319
Fund balance - Unreserved - undesignated	521,444	521,444
Total Equity	521,444	700,763
TOTAL LIABILITIES AND FUND EQUITY	563,369	742,688

See Accountants' Compilation Report

QUITMAN FIRE PROTECTION DISTRICT NO. 1
 Jackson Parish, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	129,746	133,207	\$3,461
Intergovernmental -			
Police Jury grants	5,304	5,304	
Interest	211	1,276	865
Contributions	21,824	25,993	4,169
Total revenues	<u>177,085</u>	<u>165,780</u>	<u>11,305</u>
Expenditures:			
Current:			
Public safety:			
Rent and subscriptions		209	(209)
Repairs and maintenance	14,107	15,925	(1,818)
Building lease	1,715	1,715	
Statutory deductions	2,415	2,485	(70)
Insurance	3,114	2,886	(228)
Office supplies	265	268	(3)
Legal and accounting	198		198
Training courses	1,812	1,834	(22)
Telephone and utilities	2,957	2,799	(158)
Miscellaneous		189	(189)
Capital outlay	56,560	59,279	(2,719)
Total expenditures	<u>80,764</u>	<u>88,880</u>	<u>8,116</u>
EXCESS OF REVENUES OVER EXPENDITURES	711	4,987	4,276
FUND BALANCE AT BEGINNING OF YEAR	<u>51,852</u>	<u>51,852</u>	
FUND BALANCE AT END OF YEAR	<u>52,563</u>	<u>56,839</u>	<u>4,276</u>

See Accountant's Compilation Report

QUITMAN FIRE PROTECTION DISTRICT NO. 1
Jackson Parish, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1995

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$13,585	\$11,654	\$1,931
Intergovernmental - Police Jury grants	5,365	5,365	
Interest	740	1,280	540
Contributions	1,246	1,224	222
Total revenues	<u>20,936</u>	<u>19,523</u>	<u>1,413</u>
Expenditures:			
Current:			
Public safety:			
Dues and subscriptions		279	(279)
Repairs and maintenance	13,008	9,715	3,293
Building lease	1,843	1,843	
Statutory deductions	2,412	2,408	4
Insurance	2,688	2,979	(291)
Office supplies	367	500	(133)
Legal and accounting	1,958	2,958	
Training courses	991	843	148
Telephone and utilities	1,539	2,284	745
Miscellaneous		1,614	(1,614)
Capital outlay	3,268	3,268	
Total expenditures	<u>26,259</u>	<u>18,694</u>	<u>7,565</u>
EXCESS OF REVENUES OVER EXPENDITURES	567	11,829	11,262
FUND BALANCE AT BEGINNING OF YEAR	<u>48,825</u>	<u>48,825</u>	
FUND BALANCE AT END OF YEAR	<u>54,392</u>	<u>60,654</u>	<u>16,262</u>

See Attachment C Compilation Report

Members
 Society of Louisiana
 Certified Public Accountants

180 Eighth Street
 Jackson, LA 71109
 (601)433-7814
 FAX (601) 229-1314

Members
 American Institute of
 Certified Public Accountants

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

John Kavanagh, President
 and Members of the Board of Commissioners
 Quitman Fire Protection District No. 1
 P. O. Box 388
 Quitman, LA 71368

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Quitman Fire Protection District No. 1 of Jackson Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Quitman Fire Protection District No. 1's compliance with certain laws and regulations during the two years ended December 31, 1996 included in the accompanying Louisiana Statutes, Quasi-judicial. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these 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 material and supplies exceeding \$5,000, or public works exceeding \$500,000, and determine whether such purchases were made in accordance with LSA-RS 38:2101-2250 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$5,000 nor any expenditures were made for public works exceeding \$50,000.

Code of Ethics for Public Officials and Public Employees

1. Obtain from management a list of the immediate family members of each board member as defined by LSA-PS 42:1104-1124 (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. It was noted that one commissioner was the only commissioner from the Quitman community. The Quitman Fire Protection District No. 1 made purchases from this commissioner for gasoline and supplies totaling \$77 and \$383 for the years ended December 31, 1995 and December 31, 1996, respectively.

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

The Quitman Fire Protection District No. 1 has no employees.