

Quitman Fire Protection District No. 1
A Component Unit of the Jackson Parish Police Jury
Quitman, Louisiana

Annual Financial Report

As of and For the Year Ended
December 31, 2010

With Supplemental Information Schedules

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.

Release Date 8/24/11

KENNETH D. FOLDEN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

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Quitman Fire Protection District No. 1
 Annual Financial Statements
 As of and For the Year Ended December 31, 2010
 With Supplemental Information Schedules

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ACCOUNTANT'S REVIEW REPORT

Mr. John Kavanaugh, President
and Members of the Board of Commissioners
Quitman Fire Protection District No. 1
Quitman, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of the Quitman Fire Protection District No. 1 as of and for the year ended December 31, 2010, which collectively comprise the Town's basic financial statements as listed in the Table of Contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the *American Institute of Certified Public Accountants*. All information included in these financial statements is the representation of management of the Quitman Fire Protection District No. 1.

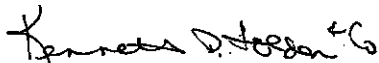
A review consists principally of inquiries of the Quitman Fire Protection District No. 1's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The budgetary comparison information on page 19, are not a required part of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board*. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated May 4, 2011 on the results of our agreed-upon procedures.

Management has not presented the discussion and analysis information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of the basic financial statements.



Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
May 4, 2011

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Quitman Fire Protection District No. 1
Quitman, Louisiana
Statement of Net Assets
December 31, 2010

	Governmental Activities
ASSETS	
Current Assets:	
Cash and equivalents	\$ 174,691
Accounts receivable	385,484
TOTAL CURRENT ASSETS	560,175
Non-Current Assets:	
Capital assets (net of accumulated depreciation)	751,579
TOTAL ASSETS	\$ 1,311,753
 LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 34,978
Capital lease payable	76,518
Interest payable	23,215
TOTAL CURRENT LIABILITIES	134,711
Non-Current Liabilities:	
Capital lease payable	-
TOTAL LIABILITIES	\$ 134,711
 NET ASSETS	
Invested in capital assets (net of related debt)	\$ 675,060
Unrestricted	501,982
TOTAL NET ASSETS	\$ 1,177,042

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
 Statement of Activities
 For the Year Ended December 31, 2010

	MAJOR FUNDS			Net (Expense) Revenue and Changes in Net Assets
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
EXPENSES				
	\$ 195,579	\$ -	\$ 3,731	\$ (191,848)
	<u>\$ 195,579</u>	<u>\$ -</u>	<u>\$ 3,731</u>	<u>\$ (191,848)</u>

Primary government:
 Governmental activities:
 General government
 Total governmental activities

GENERAL REVENUES

Taxes:	
Ad valorem	393,841
Fire insurance rebate	5,140
Interest	738
Miscellaneous	780
Total general revenues	<u>400,499</u>
Change in net assets	208,652
Net assets - December 31, 2009	968,390
Net assets - December 31, 2010	<u>\$ 1,177,042</u>

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS

Quitman Fire Protection District No. 1
Quitman, Louisiana
Balance Sheet - Governmental Funds
December 31, 2010

	GENERAL FUND
ASSETS	
Cash and equivalents	\$ 174,691
Receivables, net	385,484
TOTAL ASSETS	\$ 560,175
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 34,978
Interest payable	23,215
TOTAL LIABILITIES	58,193
Fund Balances:	
Unreserved	501,982
TOTAL FUND BALANCE	501,982
TOTAL LIABILITIES AND FUND BALANCE	\$ 560,175

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2010

Total Fund Balances of General Fund at December 31, 2010	\$ 501,982
Total Net Assets reported for Governmental Activities in the Statement of Net Assets (Statement A) are different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the governmental fund	751,579
Capital Lease Payable used in Governmental Activities are not financial resources and, therefore, are not reported in the governmental fund	(76,518)
Net Assets of governmental activities at December 31, 2010	\$ 1,177,042

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2010

GENERAL FUND

REVENUES

Taxes:

Ad valorem	\$ 393,841
Fire insurance rebate	5,140
Grants	3,731
Interest income	738
Miscellaneous income	780
TOTAL REVENUES	<u>404,230</u>

EXPENDITURES

Firefighter equipment & training	300
Insurance	15,712
Interest expense	25,258
Legal & accounting fees	4,251
Office expense & supplies	5,367
Pension expense	14,510
Repairs & maintenance	35,684
Utilities	8,640
Capital Outlay	25,122
TOTAL EXPENDITURES	<u>134,844</u>

**EXCESS (Deficiency) OF REVENUES
OVER (Under) EXPENDITURES**

269,387

OTHER FINANCING SOURCES (USES)

Capital lease payments	(182,737)
Total other financing sources (uses)	<u>(182,737)</u>

NET CHANGES IN FUND BALANCES

86,649

FUND BALANCES - December 31, 2009

415,332

FUND BALANCES - December 31, 2010

\$ 501,982

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010

Total net change in fund balances - governmental funds (Statement E)	\$ 86,649
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities (Statement B), the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital outlay and depreciation expense in the current period.	(60,735)
Capital lease principal expense, which is considered an expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is a reduction of Capital lease payable on Government-Wide Statements.	<u>182,737</u>
Change in net assets of governmental activities (Statement B)	<u>\$ 208,652</u>

See accompanying notes and accountant's report.

NOTES TO THE FINANCIAL STATEMENTS

Quitman Fire Protection District No. 1
Notes to the Financial Statements
As of and For the Year Ended December 31, 2010

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 40:1495, 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 proper fire prevention and control within the District which encompasses an approximate 80 square mile area. 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 general purpose 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 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 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.

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 one fund and an account group 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 financial resources.

The fund of the District is classified as the following category: governmental. This category contains 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, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. The governmental fund of the Quitman Fire Protection District No.1 is the:

General Fund - the general operating fund of the District and accounts for all financial resources. The district has no financial resources which require separate fund accounting.

D. 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

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 collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues.

Ad 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.

Ad Valorem 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 during the current period and received by the District within 60 days after December 31 are recorded as receivables.

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. The District entered into a capital-lease purchase agreement in 2008 to purchase two fire trucks. The lease-agreement is for \$374,900 with yearly principal and interest payments for seven years.

E. BUDGETS

The budget was prepared on a basis consistent with generally accepted accounting principles (GAAP). The budget was 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 year ended December 31, 2010, are as amended.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. 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, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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. The District has two demand deposit accounts at December 31, 2010 which are reported as cash and cash equivalents.

Under State law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. The District has no investments at December 31, 2010.

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 is provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date of donation.

I. COMPENSATED ABSENCES

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

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from the governmental fund are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due.

K. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated fund balances represent tentative plans for future use of financial resources.

At December 31, 2010, the District's governmental fund balance was unreserved and undesignated.

2. LEVIED TAXES

The following is a summary of authorized and levied Ad Valorem taxes.

	Authorized Millage	Levied Millage	Expiration Date
Maintenance	10.40	10.40	2015

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2010, the District has cash, cash equivalents and investments (book balances) totaling \$174,691, as follows:

Interest-bearing demand deposits	\$174,691
Total	<u>\$174,691</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. At December 31, 2010, the District has \$174,691 in deposits (collected bank balances). These deposits are secured from risk by \$174,691 of federal deposit insurance.

4. FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 2010	Additions	Delctions	Balance December 31, 2010
Governmental Activities:				
Land and Buildings	\$ 99,041	\$ 2,380	\$ -	\$ 101,421
Vehicles	795,022	-	-	795,022
Equipment	294,690	22,796	-	317,486
Totals at historical cost	1,188,753	25,176	-	1,213,929
Less accumulated depreciation:				
Land and Buildings	33,882	3,664	-	37,546
Vehicles	173,994	51,692	-	225,686
Equipment	168,563	30,501	-	199,064
Total accumulated depreciation	376,439	85,857	-	462,296
Total Net Assets	\$ 812,314	\$ (60,680)	\$ -	\$ 751,634

5. PENSION PLANS

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

6. LITIGATION AND CLAIMS

The District has advised us that it is not involved in any litigation at December 31, 2010.

7. RISK MANAGEMENT

The District is exposed to various risk of loss related to torts: theft of, damage to and destruction of assets: errors and omissions: injuries to employees: and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

8. LONG-TERM DEBT

The District entered into a capital lease-purchase agreement with Government Capital Corporation to acquire two fire truck pumper units. The lease-purchase agreement was signed June 1, 2008, with the first payment due March 1, 2009. The two fire trucks were placed in service on October 1, 2008 and are included in fixed assets and are being depreciated over their economic useful lives. The Fire District has accelerated the payoff of the capital lease by paying additional principal in 2010, and has paid off the balance of the lease on January 17, 2011.

The following is a summary of the long-term obligation transactions for the year ended December 31, 2010.

	Capital Lease Obligation
Balance at January 1, 2010	\$ 259,256
Additions	-
Payments	<u>(182,737)</u>
Balance at December 31, 2010	<u>\$ 76,518</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long term obligations as of December 31, 2010:

	Capital Lease Obligation
Current Portion	\$ 76,518
Long-Term Portion	-
Total	<u>\$ 76,518</u>

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Quitman Fire Protection District No. 1
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes:				
Ad valorem	\$ 300,000	\$ 298,255	\$ 393,841	\$ 95,586
Fire insurance rebate	7,500	4,650	5,140	490
Grants	-	-	3,731	3,731
Interest income	1,000	700	738	38
Miscellaneous income	-	500	780	280
TOTAL REVENUES	<u>308,500</u>	<u>304,105</u>	<u>404,230</u>	<u>100,125</u>
EXPENDITURES				
Firefighter equipment & training	5,000	300	300	-
Insurance	20,000	16,000	15,712	288
Interest expense	-	-	25,258	(25,258)
Legal & accounting fees	10,000	4,225	4,251	(26)
Office expense & supplies	7,000	2,000	5,367	(3,367)
Pension expense	9,000	9,000	14,510	(5,510)
Repairs & maintenance	300,000	270,000	35,684	234,316
Utilities	10,000	10,000	8,640	1,360
Miscellaneous expense	-	20,300	-	20,300
Capital Outlay	-	-	25,122	(25,122)
TOTAL EXPENDITURES	<u>361,000</u>	<u>331,825</u>	<u>134,844</u>	<u>196,981</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>(52,500)</u>	<u>(27,720)</u>	<u>269,387</u>	<u>297,106</u>
OTHER FINANCING SOURCES (USES)				
Capital lease payments	-	-	(182,737)	(182,737)
Total other financing sources (uses)	-	-	(182,737)	(182,737)
NET CHANGES IN FUND BALANCES	<u>(52,500)</u>	<u>(27,720)</u>	<u>86,649</u>	<u>114,369</u>
FUND BALANCES - December 31, 2009	<u>415,332</u>	<u>415,332</u>	<u>415,332</u>	-
FUND BALANCES - December 31, 2010	<u>\$ 362,832</u>	<u>\$ 387,613</u>	<u>\$ 501,982</u>	<u>\$ 114,369</u>

See accompanying notes and accountant's report.

SUPPLEMENTARY INFORMATION

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. John Kavanaugh, President
and Members of the Board of Commissioners
Quitman Fire Protection District No. 1
Quitman, Louisiana

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 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Quitman Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 2010 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Quitman Fire Protection District No. 1 is responsible for its financial records and compliance with applicable laws and regulations. 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 \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$30,000 or for public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

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

Quitman Fire Protection District No. 1 has no employees.

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. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. The budget was amended once in the fiscal year, and a copy of the amended budget was provided.

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

We traced the adoption of the original budget, for the year ended December 31, 2010, to the minutes of a meeting held on November 5, 2009, which indicated that the budget had been approved by all of the commissioners. The 2010 budget was amended and approved by all the commissioners at the monthly meeting held October 7, 2010.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budgets to actual revenues and expenditures. Actual revenues were more than budgeted revenues, and actual expenditures were less than budgeted expenses.

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;

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 six selected disbursements were properly coded to the correct fund and general ledger account.

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

The six selected disbursements were traced to the District's meeting minutes where they were approved by the commissioners.

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 through 42:12 (the open meetings law).

The Quitman Fire Protection District No. 1 posts a notice of each meeting in the local newspaper, the official journal of the District, and the District posts notice of the meeting on the Front Door of the Fire Station.

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 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.

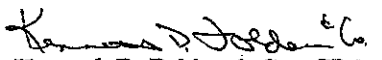
As stated in procedure (3), the District has no employees.

Prior Comments and Recommendations

Our report dated December 31, 2009, did not include any comments or unresolved matters.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
May 4, 2011

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

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302 Eighth Street
Jonesboro, Louisiana 71251

In connection with your review of our financial statements as of December 31, 2010 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 the information available to us as of 01/06/11 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the 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 R.S. 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 R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

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 R.S. 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, R.S. 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 that may occur subsequent to the issuance of your report.

J. P. [Signature] President 01/06/11 Date