

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, 2015

With Supplemental Information Schedules

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Quitman Fire Protection District No. 1
Quitman, Louisiana

Annual Financial Statements
As of and For the Year Ended December 31, 2015
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, a component unit of the Jackson Parish Police Jury, as of and for the year ended December 31, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Quitman Fire Protection District No. 1. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for my our conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 20 be presented to supplement the basic financial statements. Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 28 to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board and Louisiana Revised Statutes, respectively, who consider it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed, or compiled by us, and we do not express an opinion or provide any assurance on it.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated June 6, 2016, on the results of our agreed-upon procedures.

Kenneth D. Folden & Co., CPAs

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
June 6, 2016

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Quitman Fire Protection District No. 1
Quitman, Louisiana

Statement of Net Position
As of December 31, 2015

	Governmental Activities
ASSETS	
Current Assets:	
Cash and equivalents	\$ 678,335
Accounts receivable	411,056
TOTAL CURRENT ASSETS	<u>1,089,390</u>
Non-Current Assets:	
Capital assets (net of accumulated depreciation)	<u>1,111,335</u>
TOTAL NON-CURRENT ASSETS	<u>1,111,335</u>
TOTAL ASSETS	<u>\$ 2,200,726</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 19,763
TOTAL LIABILITIES	<u>19,763</u>
 NET POSITION	
Net investment in capital assets	\$ 1,111,335
Unrestricted	<u>1,069,627</u>
TOTAL NET POSITION	<u>\$ 2,180,963</u>

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
Quitman, Louisiana

Statement of Activities
For the Year Ended December 31, 2015

EXPENSES	MAJOR FUNDS			Net (Expense) Revenue and Changes in Net Position
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	Governmental Activities

Primary government:

Governmental activities:

General government	\$ 249,231	\$ -	\$ 4,542	\$ -	\$ (244,688)
Total governmental activities	<u>\$ 249,231</u>	<u>\$ -</u>	<u>\$ 4,542</u>	<u>\$ -</u>	<u>\$ (244,688)</u>

GENERAL REVENUES

Taxes:

Ad valorem	420,322
Fire insurance rebate	6,625
Interest	582
Miscellaneous	-
Total general revenues	<u>427,530</u>
Change in net position	182,842
Net position - December 31, 2014	<u>1,998,121</u>
Net position - December 31, 2015	<u>\$ 2,180,963</u>

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS

Quitman Fire Protection District No. 1
Quitman, Louisiana

Balance Sheet - Governmental Funds
As of December 31, 2015

	<u>General Fund</u>
ASSETS	
Cash and equivalents	\$ 678,335
Receivables, net	<u>411,056</u>
TOTAL ASSETS	<u>\$ 1,089,390</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	<u>\$ 19,763</u>
TOTAL LIABILITIES	<u>19,763</u>
 Fund Balances:	
Unassigned	<u>1,069,627</u>
TOTAL FUND BALANCE	<u>1,069,627</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,089,390</u>

Statement D

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
For the Year Ended December 31, 2015

Total Fund Balances of General Fund at December 31, 2015	\$ 1,069,627
Total Net Position reported for Governmental Activities in the Statement of Net Position (Statement A) are different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the governmental fund	<u>1,111,335</u>
Net Position of governmental activities at December 31, 2015	<u>\$ 2,180,963</u>

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
Quitman, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund
For the Year Ended December 31, 2015

	General Fund
REVENUES	
Taxes:	
Ad valorem	\$ 420,322
Fire insurance rebate	6,625
Grants	<u>4,542</u>
TOTAL REVENUES	<u>431,490</u>
EXPENDITURES	
District chief expense	7,393
Firefighter equipment & training	10,209
Insurance	20,653
Legal & accounting fees	6,156
Office expense & supplies	1,123
Pension expense	15,666
Repairs & maintenance	59,789
Utilities	9,558
Capital Outlay	<u>157,497</u>
TOTAL EXPENDITURES	<u>288,045</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>143,445</u>
OTHER FINANCING SOURCES (USES)	
Interest income	582
Miscellaneous income	-
Total other financing sources (uses)	<u>583</u>
NET CHANGES IN FUND BALANCES	144,028
FUND BALANCES - December 31, 2014	<u>925,599</u>
FUND BALANCES - December 31, 2015	<u>\$ 1,069,627</u>

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
Quitman, Louisiana

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, 2015

Total net change in fund balances - governmental funds (Statement E)	\$ 144,028
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.	<u>38,814</u>
Change in net position of governmental activities (Statement B)	<u>\$ 182,842</u>

See accompanying notes and accountant's report.

**NOTES TO THE
FINANCIAL STATEMENTS**

Quitman Fire Protection District No. 1
Quitman, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2015

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 firefighters.

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

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated resources which may be used to finance future period programs or operations of the District. According to GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance can be classified as non-spendable, restricted, committed, assigned, and unassigned. Non-spendable funds are typically noncash or prepaid items that are identified as a part of fund balance, but they are not available to be expended. Spendable items included restricted, committed, assigned, and unassigned funds. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Unassigned fund balance is the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications. The following is a description of the District's governmental fund:

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.

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, 2015, 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, 2015 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, 2015.

H. CAPITAL ASSETS

Capital assets, which include land, buildings, vehicles, and equipment, are reported in the governmental column of the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. The Quitman Fire Protection District No. 1 maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

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

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. In the Fund Financial Statements, expenditures for principal and interest payments for long-term obligations are recognized when due as current liabilities and other financing uses. The face amount of debt issued is reported as other financing sources, and the face amount of debt paid is reported as other financing uses.

K. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation as non-spendable. Restricted fund balances are legally restricted by outside parties, purposes stipulated by constitution, or through enabling legislation for use for a specific purpose. Committed fund balances include amounts that can only be used for a specific purpose determined by a formal action of the government's highest level of decision-making authority. Assigned fund balances are intended to be used by the District for a specific purpose but do not meet the criteria for restricted or committed classification. Unassigned fund balances are the residual classification for the District's General Fund and include all spendable amounts not designated as restricted, committed, or assigned.

At December 31, 2015, the District's governmental fund balance was unassigned.

2. LEVIED TAXES

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

	Authorized Millage	Levied Millage	Expiration Date
Maintenance	11.25	11.25	2015

3. CASH AND CASH EQUIVALENTS

The District has cash and cash equivalents (book balances) totaling \$678,335, as follows:

Interest-bearing demand deposits	\$ 33,425
Savings account	<u>644,910</u>
Total	<u>\$ 678,335</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.

At December 31, 2015, the District has \$685,582 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$991,749 of pledged securities held in a Federal Reserve pledge account. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Quitman Fire Protection District No. 1 has complied with these requirements of state law.

4. ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable as of December 31, 2015:

<u>Class of Receivable</u>	
Ad Valorem Taxes	\$ 411,056
Total	<u>\$ 411,056</u>

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2015 is as follows:

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Governmental Activities:				
Land	\$ 11,812	\$ -	\$ -	\$ 11,812
Buildings	108,156	-	-	108,156
Vehicles	1,335,407	119,800	-	1,455,207
Equipment	472,325	37,697	-	510,022
Totals at historical cost	<u>1,927,700</u>	<u>157,497</u>	<u>-</u>	<u>2,085,197</u>
Less accumulated depreciation:				
Buildings	52,603	3,878	-	56,480
Vehicles	477,987	88,636	-	566,623
Equipment	324,588	26,170	-	350,758
Total accumulated depreciation	<u>855,179</u>	<u>118,683</u>	<u>-</u>	<u>973,862</u>
Total Net Assets	<u>\$ 1,072,522</u>	<u>\$ 38,814</u>	<u>\$ -</u>	<u>\$ 1,111,335</u>

6. ACCOUNTS PAYABLE

The following is a summary of accounts payable as of December 31, 2015:

<u>Class of Payable</u>	
Vendor	\$ 4,097
Pension for public retirement systems	<u>15,666</u>
Total	<u>\$ 19,763</u>

7. PENSION PLANS

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

8. LITIGATION AND CLAIMS

The District has advised us that it is not involved in any litigation at December 31, 2015.

9. 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.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 6, 2016, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

Quitman Fire Protection District No. 1
Quitman, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes:				
Ad valorem	\$ 400,000	\$ 400,000	\$ 420,322	\$ 20,322
Fire insurance rebate	6,100	6,100	6,625	525
Grants	-	-	4,542	4,542
TOTAL REVENUES	<u>406,100</u>	<u>406,100</u>	<u>431,490</u>	<u>25,390</u>
EXPENDITURES				
District chief expense	-	-	7,393	(7,393)
Firefighter equipment & training	40	7,500	10,209	(2,709)
Insurance	21,000	21,000	20,653	347
Legal & accounting fees	5,000	6,500	6,156	344
Office expense & supplies	2,000	17,000	1,123	15,877
Pension expense	-	-	15,666	(15,666)
Repairs & maintenance	220,500	215,000	59,789	155,211
Utilities	9,000	10,000	9,558	442
Capital Outlay	200,000	-	157,497	(157,497)
TOTAL EXPENDITURES	<u>457,540</u>	<u>277,000</u>	<u>288,045</u>	<u>(11,045)</u>
EXCESS (Deficiency) OF REVENUES				
OVER (Under) EXPENDITURES	<u>(51,440)</u>	<u>129,100</u>	<u>143,445</u>	<u>14,345</u>
OTHER FINANCING SOURCES (USES)				
Interest income	200	200	582	382
Miscellaneous income	3,400	3,400	-	(3,400)
Total other financing sources (uses)	<u>3,600</u>	<u>3,600</u>	<u>583</u>	<u>(3,017)</u>
NET CHANGES IN FUND BALANCES	(47,840)	132,700	144,028	11,328
FUND BALANCES - December 31, 2014	<u>925,599</u>	<u>925,599</u>	<u>925,599</u>	<u>-</u>
FUND BALANCES - December 31, 2015	<u>\$ 877,759</u>	<u>\$ 1,058,299</u>	<u>\$ 1,069,627</u>	<u>\$ 11,328</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, 2015 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).

The District had two expenditures more than \$30,000 for materials and supplies and no expenditures over \$150,000 for public works. The expenditures for materials and supplies were for the retrofit of two tankers to compressed air foam systems. The District advertised for two weeks in the public journal and allowed for 15 days between the first day of advertisement and opening of the bids. These actions satisfied the public bid law.

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, 2015, to the minutes of a meeting held on November 20, 2014, which indicated that the budget had been approved by all of the commissioners. The 2015 budget was amended and approved by all the commissioners at the monthly meeting held December 3, 2015.

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. Actual expenditures were more than budgeted expenditures by less than 5%.

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, 2014, 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

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
June 6, 2016

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

Kenneth D. Folden & Co., CPAS
302 Eighth Street
Jonesboro, Louisiana 71251

In connection with your review of our financial statements as of December 31, 2015 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 05-01-16 (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.

Paul Brown Fire Chief 05-01-16 Date

Quitman Fire Protection District No. 1
Quitman, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2015

Philip Brown Fire Chief	
Reimbursements-travel and phone	7,114
	<u>\$ 7,114</u>