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**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 Year Ended December 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 15 2000

KENNETH D. FOLDEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

302 EIGHTH STREET, JONESBORO, LA 71251
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**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 Year Ended December 31, 1999**

CONTENTS

	Statement	Page No.
Transmittal letter		1
Affidavit		2
Accountants' Compilation Report		3
General Purpose Financial Statements:		
Balance Sheet	A	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	B	5
Notes to the Financial Statements		6-9
Status of Prior Audit's Findings		10

**Quitman Fire Protection District No. 1
Jackson Parish, Louisiana**

P. O. Box 388
Quitman, LA 71268
(318) 259-8888

TRANSMITTAL LETTER

GENERAL PURPOSE FINANCIAL STATEMENTS

February 29, 2000

**Office of Legislative Auditor
Attention: Ms. JoAnne Sanders
P. O. Box 94397
1600 North Third
Baton Rouge, LA 70804-9397**

Dear Ms. Sanders:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Quitman Fire Protection District No. 1 of Jackson Parish, a component unit of the Jackson Parish Police Jury, as of and for the fiscal year ended December 31, 1999. These statements include all funds under the control and oversight of the Quitman Fire Protection District No. 1 of Jackson Parish. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



**John Kavanaugh, President
Quitman Fire Protection District
No. 1 of Jackson Parish**

Enclosure

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

ANNUAL SWORN GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

Required by Louisiana Revised Statute 24:514 to
be filed with the Office of Legislative Auditor
within 90 days after the close of the fiscal year

AFFIDAVIT

Personally came and appeared before the undersigned authority, John Kavanaugh, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Quitman Fire Protection District No. 1 of Jackson Parish, a component unit of the Jackson Parish Police Jury, as of December 31, 1999, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.


Signature

Sworn to and subscribed before me, this 2nd day of MARCH, 2000.


NOTARY PUBLIC

Quitman Fire Protection District No. 1
John Kavanaugh, President
P. O. Box 388
Quitman, LA 71268
(318) 259-8888

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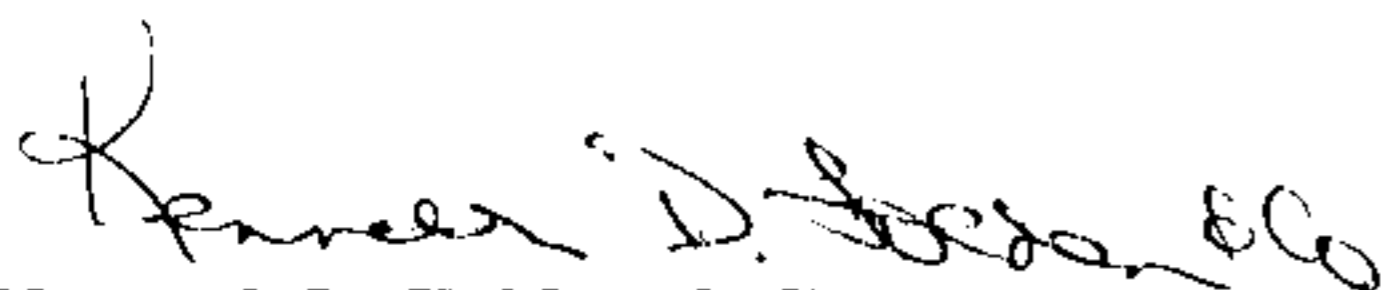
Members
American Institute of
Certified Public Accountants

ACCOUNTANTS' COMPILATION REPORT

**John Kavanaugh, President
and Members of the Board of Commissioners
Quitman Fire Protection District No. 1
P. O. Box 388
Quitman, LA 71268**

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

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



**Kenneth D. Folden & Co.
Certified Public Accountants**

**Jonesboro, Louisiana
February 29, 2000**

QUITMAN FIRE PROTECTION DISTRICT NO. 1
Jackson Parish, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet, December 31, 1999

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 3,864	\$	\$ 3,864
Accounts receivable - Ad valorem taxes	30,704		30,704
Land, plant, and equipment		242,619	242,619
TOTAL ASSETS	\$ 34,568	\$ 242,619	\$ 277,187
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	\$ 1,880	NONE	\$ 1,880
Equity:			
Investment in general fixed assets		242,619	242,619
Fund balance - Unreserved - undesignated	32,688		32,688
Total Equity	32,688	242,619	275,307
TOTAL LIABILITIES AND FUND EQUITY	\$ 34,568	\$ 242,619	\$ 277,187

The accompanying notes are an integral part of these financial statements.

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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 31,000	\$ 33,460	\$ 2,460
Intergovernmental - Police Jury grants	5,525	5,525	
Interest	300	914	614
Contributions	350	500	150
Total revenues	37,175	40,399	3,224
Expenditures:			
Public safety:			
Repairs and maintenance	14,000	12,683	1,317
Statutory deductions	3,600	3,337	263
Insurance	5,000	4,628	372
Office supplies	500	317	183
Legal and accounting	3,200	3,208	(8)
Training courses	1,000	421	579
Telephone and utilities	2,900	2,554	346
Capital outlay	64,000	57,354	6,646
Total expenditures	94,200	84,502	9,698
EXCESS OF REVENUES OVER EXPENDITURES	(57,025)	(44,103)	12,922
FUND BALANCE AT BEGINNING OF YEAR	76,791	76,791	
FUND BALANCE AT END OF YEAR	\$ 19,766	\$ 32,688	\$ 12,922

The accompanying notes are an integral part of these financial statements.

QUITMAN FIRE PROTECTION DISTRICT NO. 1
Jackson Parish, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

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 safety for the prevention and control of fires within the approximate 80 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.

QUITMAN FIRE PROTECTION DISTRICT NO. 1

Jackson Parish, Louisiana

Notes to the Financial Statements (Continued)

1. 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 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.

Funds of the District are classified as 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 fixed 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.

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

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.

QUITMAN FIRE PROTECTION DISTRICT NO. 1

Jackson Parish, Louisiana

Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF ACCOUNTING (CONTINUED)

Revenues (Continued)

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 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 year ended December 31, 1999, 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.

QUITMAN FIRE PROTECTION DISTRICT NO. 1

Jackson Parish, Louisiana

Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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. LEVIED TAXES

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

3. CASH AND CASH EQUIVALENTS

At December 31, 1999, the District has cash and cash equivalents (book balances) totaling \$3,864, as follows:

Interest-bearing demand deposits	\$ 3,354
Savings account	<u>510</u>
Total	<u>\$ 3,864</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, 1999, the District has \$3,864 in deposits (collected bank balances). These deposits are secured from risk by \$3,864 of federal deposit insurance.

4. FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Buildings	\$ 21,472	\$ 56,627	\$	\$ 78,099
Furniture and equipment	163,793	727		164,520
Total	<u>\$ 185,265</u>	<u>\$ 57,354</u>	NONE	<u>\$ 242,619</u>

5. PENSION PLANS

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

6. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 1999.

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

STATUS OF PRIOR AUDIT'S FINDINGS

Financial Reporting

The Quitman Fire Protection District No. 1 did not file financial statements for the year ended December 31, 1997. Louisiana Revised Statute 33:463 states that annual financial statements are required to be filed with the Louisiana Legislative Auditor. As a result of not filing their financial statements for the year ended December 31, 1997, the District was required to have a two year audit for the year ending December 31, 1998.

In the prior audit, we recommended that the District file financial statements as required by Louisiana Revised Statute 33:463.

By filing the compilation for the year ended December 31, 1999, the District has compiled with Louisiana Revised Statute 33:463. The prior audit's finding is considered cleared.