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

**ANNUAL FINANCIAL REPORT
DECEMBER 31, 2006**

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 8-1-07

Quitman Fire Protection District No. 1
Financial Report
December 31, 2006

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ACCOUNTANT'S REVIEW REPORT ON THE FINANCIAL STATEMENTS

Quitman Fire Protection District No. 1
P.O. Box 338
Quitman, Louisiana 71268

Board of Directors:

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Quitman Fire Protection District No. 1 as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the Table of Contents and the accompanying supplemental information contained on page 19, 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 District 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 is 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 June 15, 2007 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
June 15, 2007

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Quitman Fire Protection District No. 1
Statement of Net Assets
December 31, 2006

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$ 40,934
Receivables	163,129
Total Current Assets	204,063
Non-Current Assets:	
Capital Assets (Net)	315,999
Total Assets	520,062
 LIABILITIES:	
Current Liabilities:	
Accounts Payable	8,498
Total Liabilities	8,498
 NET ASSETS:	
Invested in Capital Assets	315,999
Unrestricted	195,565
Total Net Assets	\$ 511,564

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
Statement of Activities
December 31, 2006

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets Government Activities</u>
		<u>Charge for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Quitman Fire Protect. Dist. No.1	\$ 104,092	\$ 0	\$ 158,105	\$ 54,013
Total Governmental Activities	<u>104,092</u>	<u>0</u>	<u>158,105</u>	<u>54,013</u>
General Revenues:				
Ad Valorem Tax				144,434
Fire Insurance Rebate				4,682
Miscellaneous				290
Interest				859
Total General Revenues				<u>150,265</u>
Changes in Net Assets				204,278
Net Assets December 31, 2005				307,286
Net Assets December 31, 2006				<u>\$ 511,564</u>

See accompanying notes and accountant's reports

FUND FINANCIAL STATEMENTS

Quitman Fire Protection District No.1
Balance Sheet-Governmental Fund
December 31, 2006

Assets:

Cash	\$	40,934
Receivables		163,129
Total Assets	\$	<u>204,063</u>

Liabilities:

Accounts Payable		8,498
Total Liabilities		<u>8,498</u>

Fund Balance:

Unreserved		195,565
Total Liabilities and Fund Balance	\$	<u>204,063</u>

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
December 31, 2006

Total Fund Balance for the Governmental Fund		
At December 31, 2006	\$	195,565
Total Net Assets reported for Governmental Activities		
In the Statement of Net Assets is different because:		
Capital Assets used in Governmental Activities are not		
financial resources and, therefore, are not reported in		
the governmental funds		
Add: Capital Assets		555,586
Less: Accumulated Depreciation		<u>(239,587)</u>
Total Net Assets of Governmental Activities		
At December 31, 2006	\$	<u>511,564</u>

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2006

	<u>Total</u>
REVENUES:	
Ad Valorem Taxes	\$ 144,434
Fire Insurance Rebate	4,682
Intergovernmental-Police Jury Grant	2,542
Grants	155,563
Miscellaneous	290
Interest	859
Total Revenues	308,370
EXPENDITURES:	
Current—	
Accounting/Audit Fees	1,520
Retirement Expense	6,197
Insurance	11,443
Admin & Office Supply	1,124
Training & Drills	323
Repair & Maintenance	12,390
Utilities	6,532
Equipment & Tools	33,464
Capital Outlay	194,660
Total Expenditures	267,653
(Deficiency) of Revenues over Expenditures	40,717
Fund Balance - Beginning of Year	154,848
Fund Balance - End of Year	\$ 195,565

See accompanying notes and accountant's report.

Quitman Fire Protection District No. 1
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balance of the Governmental Fund
 to the Statement of Activities
 for the Year Ended December 31, 2006

Total Net Change in Fund Balance at December 31, 2006, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 40,717
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
Capital Outlay cost which are considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	194,660
Depreciation expense for the year ended December 31, 2006	<u>(31,099)</u>
Total changes in Net Assets at December 31, 2006, per Statement of Activities	<u>\$ 204,278</u>

See accompanying notes and accountant's report.

NOTES TO 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, 2006

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.

Quitman Fire Protection District No. 1
Jackson Parish, Louisiana
Notes to the Financial Statements (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 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.

Quitman Fire Protection District No. 1
Jackson Parish, Louisiana
Notes to the Financial Statements (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 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 has no long-term debt at December 31, 2006.

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, 2006, 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, 2006, 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, 2006.

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.

Quitman Fire Protection District No. 1
 Jackson Parish, Louisiana
 Notes to the Financial Statements (Continued)

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, 2006, the District's 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	10.85	9.12	2015

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2006, the District has cash, cash equivalents and investments (book balances) totaling \$40,934, as follows:

Interest-bearing demand deposits	\$ 40,934
Total	<u>\$ 40,934</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, 2006, the District has \$41,557 in deposits (collected bank balances). These deposits are secured from risk by \$41,557 of federal deposit insurance.

4. FIXED ASSETS

The changes in general fixed assets follow:

	Balance December 31, 2005	Additions	Deletions	Balance December 31, 2006
Land and Building	\$ 75,815	\$ 0	\$ 0	\$ 75,815
Vehicles	110,135	191,014	0	301,149
Furniture and equipment	174,976	3,646	0	178,622
Total	\$ 360,926	\$ 194,660	NONE	\$ 555,586

Quitman Fire Protection District No. 1
Jackson Parish, Louisiana
Notes to the Financial Statements (Continued)

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, 2006.

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. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2006, the Quitman Fire Protection District No. 1 has implemented GASB Statement No.34, Basic Financial Statements for State and Local Governments. GASB statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

9. CHANGE IN ACCOUNTING PRINCIPLE

The implementation of GASB Statement No. 34 caused the opening fund balance at January 1, 2006 to be restated in terms of "net assets" in the government-wide financial statements. The following is a reconciliation of governmental fund balance to net assets:

Total Fund Balance at January 1, 2006-Governmental Funds	\$ 154,848
Cost of capital assets at January 1, 2006	360,926
Accumulated depreciation at January 1, 2006	(208,488)
Net Assets at January 1, 2006-Governmental Activities	<u>\$ 307,286</u>

OTHER REQUIRED SUPPLEMENTAL INFORMATION

Quitman Fire Protection District No. 1
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006

	<u>Budget Original</u>	<u>Budget Revised/Final</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Ad Valorem Taxes	\$ 100,000	\$ 102,856	\$ 144,434	\$ 41,578
Fire Insurance Rebate	2,700	4,682	4,682	0
Intergovern-Police Jury Grant	0	2,542	2,542	0
Grants	500	180,142	155,563	(24,579)
Miscellaneous	0	0	290	290
Interest	250	562	859	297
Total Revenues	\$ 103,450	\$ 290,784	\$ 308,370	\$ 17,586
EXPENDITURES:				
Accounting /Audit Fees	\$ 8,500	\$ 1,520	\$ 1,520	\$ 0
Retirement Expense	4,000	4,000	6,197	(2,197)
Insurance	15,000	11,444	11,443	1
Admin & Office Supply	2,000	3,579	1,124	2,455
Training & Drills	1,000	323	323	0
Repair & Maintenance	56,950	12,003	12,390	(387)
Utilities	10,000	6,755	6,532	223
Equipment & Tools	31,000	226,607	33,464	193,143
Capital Outlay	0	0	194,660	(194,660)
Grant Match	0	7,600	0	7,600
				0
				0
				0
Total Expenditures	\$ 128,450	\$ 273,831	\$ 267,653	\$ 6,178
EXCESS (DEFICIENCY) OF REVENUE:				
Over (under) Expenditures	(25,000)	16,953	40,717	23,764
Fund Balance Beginning of Year	154,848	154,848	154,848	0
Fund Balance End of Year	\$ 129,848	\$ 171,801	\$ 195,565	\$ 23,764

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
P. O. Box 352
Quitman., LA 71268

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 compliance with certain laws and regulations during the year ended December 31, 2006 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of 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 \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Two expenditures were made during the year for material and supplies exceeding \$20,000. We examined documentation which indicated both expenditures had been properly advertised and accepted in accordance with the provisions of LSA-RS 38:2211-22.51.

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.

The 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. Obtain a copy of the legally adopted budget and all amendments, if applicable.

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

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

We traced the adoption of the original budget to the minutes of a meeting held on November 3, 2005, which indicated that the budget had been approved by all of the commissioners. We traced the adoption of the amended budget to the minutes of a meeting held on December 7, 2006, which indicated that the budget had been approved by all the commissioners.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Budgeted revenues did not exceed actual revenues. Actual expenditures did not exceed 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 minute book 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 notice of the date of the next meeting in the local newspaper, the official journal.

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.

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

KENNETH D. FOLDEN & CO.

Certified Public Accountants

Jonesboro, Louisiana

June 15, 2007

QUITMAN FIRE PROTECTION DISTRICT #1

LOUISIANA ATTESTATION QUESTIONNAIRE

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

In connection with your review of our financial statements as of December 31, 2006, 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 6-7-07.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No []

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 LSA-RS 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 LSA-RS 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 38:34.

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 LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

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 LSA-RS 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, LSA-RS 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 which may occur subsequent to the issuance of your report.

<u>Brenda C. Atkins</u>	Secretary	<u>7 June 07</u>	Date
<u>Joe Vail</u>	Treasurer	<u>6-7-07</u>	Date
<u>J. R. [Signature]</u>	President	<u>6-7-07</u>	Date