

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

**General Purpose Financial Statements
and Accountant's Compilation Report
As of and for the Year Ended December 31, 2002**

TAMI D. LEDBETTER, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANT

P. O. Box 1787; Hodge, LA 71247

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 APR 23 2003

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**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

March 29, 2003

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

Dear Ms. Elliott:

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, 2002. 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

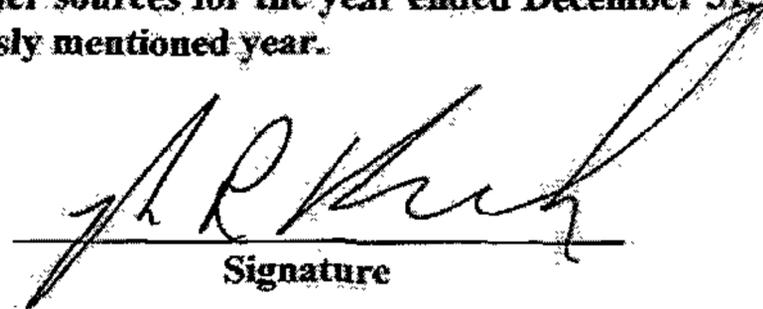
ANNUAL SWORN GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002 AND
CERTIFICATION OF REVENUES \$50,000 OR LESS

The annual sworn financial statements are 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.
The certification of revenues \$50,000 or less, if applicable,
is required by Louisiana Revised Statute 24:513(l)(1)(c)(i).

AFFIDAVIT AND REVENUE CERTIFICATION

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, 2002, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, John Kavanaugh, who, duly sworn, deposes and says that the Quitman Fire Protection District No. 1 of Jackson Parish received \$50,000 or less in revenues and other sources for the year ended December 31, 2002 and accordingly, is not required to have an audit for the previously mentioned year.


Signature

Sworn to and subscribed before me, this 29th day of March, 2003.


NOTARY PUBLIC

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

TAMI D. LEDBETTER, CPA, LLC

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ACCOUNTANT'S 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**

I 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 standards 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. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurances on them.



**Tami D. Ledbetter, CPA, LLC
Hodge, Louisiana
March 29, 2003**

QUITMAN FIRE PROTECTION DISTRICT NO. 1
Jackson Parish, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET, DECEMBER 31, 2002

GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
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ASSETS AND OTHER DEBITS**Assets and other debits:**

Cash and cash equivalents	\$ 24,084	\$	\$ 24,084
Accounts receivable - Ad valorem taxes	37,997		37,997
Land, plant, and equipment		289,337	289,337
TOTAL ASSETS AND OTHER DEBITS	\$ 62,081	\$ 289,337	\$ 351,418

LIABILITIES, EQUITY AND OTHER CREDITS**Liabilities:**

Accounts payable	\$ 2,163	\$	\$ 2,163
Total liabilities	2,163		2,163

Equity and other credits:

Investment in general fixed assets		289,337	289,337
Fund balance - Unreserved - undesignated	59,918		59,918
Total equity and other credits	59,918	289,337	349,255

TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 62,081	\$ 289,337	\$ 351,418
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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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 32,500	\$ 42,497	\$ 9,997
Intergovernmental -			
Parish revenue sharing	2,700	2,548	(152)
2% insurance rebates	3,300	3,337	37
Interest	150	489	339
Contributions	100	26	(74)
Miscellaneous			
Total revenues	38,750	48,897	10,147
Expenditures:			
Public safety:			
Contracted grant services	3,000	3,000	
Equipment and tools	5,500	5,783	(283)
Insurance	5,000	4,786	214
Legal and accounting	1,300	1,425	(125)
Office supplies	250	300	(50)
Repairs and maintenance	16,300	11,467	4,833
Statutory deductions	4,000	1,511	2,489
Telephone and utilities	4,000	3,977	23
Training courses	2,100	899	1,201
Capital outlay		1,173	(1,173)
Total expenditures	41,450	34,321	7,129
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	(2,700)	14,576	17,276
FUND BALANCE AT BEGINNING OF YEAR	45,342	45,342	NONE
FUND BALANCE AT END OF YEAR	\$ 42,642	\$ 59,918	17,276

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, 2002

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 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.

QUILMAN 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 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 one fund of the District is its General Fund and it is classified as governmental in category. 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. The District does not receive any funds requiring accountancy 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:

QUILMAN 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

Ad valorem taxes (which are based on assessments of business property and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed by the Tax Assessor of Jackson Parish on a calendar basis, become due on November 15 of each year and become delinquent on December 31 at which time they attach as an enforceable lien on property. The taxes are generally collected in December of the current year and January and February of the ensuing year. Based on prior experience, the uncollectible ad valorem taxes net of proceeds from the tax sale of property is immaterial, thus no provision has been made for such a loss. A small portion of the assessed property taxes are held each year in the form of protested taxes and these taxes are recognized in the period received by the district.

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, 2002.

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, 2002, 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 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, 2002, which are reported as cash and cash equivalents.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. CASH AND CASH EQUIVALENTS (continued)

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, 2002.

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. Donated assets, where applicable, are valued at market value at time of donation; all other 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.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds 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 funds when due. The District has no long-term obligations.

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, 2002, the District's fund balance was unreserved and undesignated.

L. 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.

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

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Maintenance	10.73	10.73	2005

3. CASH AND CASH EQUIVALENTS

At December 31, 2002, the District has cash and cash equivalents (book balances) totaling \$24,084, as follows:

Interest-bearing demand deposits	\$ 4,352
Savings demand deposits	<u>19,732</u>
Total	<u>\$ 24,084</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, 2002, the District has \$24,346 in deposits (collected bank balances). These deposits are secured from risk by \$24,346 of federal deposit insurance.

4. FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Buildings	\$ 75,815	\$	\$	\$ 75,815
Furniture and equipment	214,461	1,173	2,112	<u>213,522</u>
Total	<u>\$ 290,276</u>	<u>\$ 1,173</u>	<u>\$ 2,112</u>	<u>\$ 289,337</u>

5. PENSION PLANS

The District does not participate in any pension or retirement plans as they have no employees.

6. LITIGATION AND CLAIMS

The District has advised me that it is not involved in any litigation at December 31, 2002.