

North Bienville Fire Protection District
A Component Unit of the Bienville Parish Police Jury
Arcadia, Louisiana

Annual Financial Statements
with Independent Auditor's Report

As of and For the Year Ended
December 31, 2017
with Supplemental Information Schedules

KENNETH D. FOLDEN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

302 EIGHTH STREET
JONESBORO, LA 71251
(318) 259-7316

FAX (318) 259-7315
kfolden@foldencpa.com

North Bienville Fire Protection District
 Annual Financial Statements
 with Independent Auditor's Report

As of and for the year ended December 31, 2017
 with Supplemental Information Schedules

Contents

	Statement	Page
Independent Auditor's Report		4 - 5
Required Supplementary Information - Part I		
Management's Discussion and Analysis		7 - 11
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Position	A	14
Statement of Activities	B	15
Fund Financial Statements		
Governmental Funds		
Balance Sheet	C	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	18
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	20
Notes to the Financial Statements		22 - 33

North Bienville Fire Protection District
Annual Financial Statements
with Independent Auditor's Report

As of and for the year ended December 31, 2017
with Supplemental Information Schedules

	Schedule	Page
Independent Auditor's Report on Internal Control and on Compliance and Other Matters		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		34 - 35
Required Supplementary Information - Part II		
Budgetary Comparison Schedule		
General Fund	1	37
Supplemental Information Schedules		
Schedule of Findings and Questioned Costs	2	39
Schedule of Compensation, Benefits, and Other Payments to Agency Head	3	40
Statewide Agreed-Upon Procedures		
Independent Accountant's Report on Applying Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures		41 - 50
Louisiana Agreed-Upon Procedures Representation Form		51 - 53

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants
email: kfolden@foldencpa.com

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants
email: tsanderlin@foldencpa.com

Independent Auditor's Report

North Bienville Fire Protection District
Arcadia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Bienville Fire Protection District, a component unit of Bienville Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the North Bienville Fire Protection District's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the North Bienville Fire Protection District, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Bienville Fire Protection District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2018 on our consideration of the North Bienville Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bienville Fire Protection District's internal control over financial reporting and compliance.

Kenneth D. Felden & Co., CPAs

Jonesboro, Louisiana
June 27, 2018

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

North Bienville Fire Protection District
Arcadia, Louisiana

Management's Discussion and Analysis
As of and for the year ended December 31, 2017

As Management of the North Bienville Fire Protection District, we offer readers of the North Bienville Fire Protection District's financial statements this narrative overview and analysis of the financial activities of the North Bienville Fire Protection District as of and for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the North Bienville Fire Protection District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad view of the North Bienville Fire Protection District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the North Bienville Fire Protection District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the North Bienville Fire Protection District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave).

The government-wide financial statements can be found on pages 14 - 15 of this report.

Fund financial statements. The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. All of the funds of the District are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances left at year-end that are nonspendable, restricted, committed, assigned, or unassigned. Such information may be useful in evaluating a government's near-term financing requirements.

North Bienville Fire Protection District
Arcadia, Louisiana

Management's Discussion and Analysis
As of and for the year ended December 31, 2017

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The North Bienville Fire Protection District maintains one individual governmental fund. Information as of and for the year ended December 31, 2017, is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The North Bienville Fire Protection District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 17 - 20 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 - 33 of this report.

Supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information concerning the North Bienville Fire Protection District's compliance with budgets for its major funds. Also, other supplemental information schedules are included in the report.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at December 31, 2017 by \$3,380,981.
- The District's net position increased by \$62,461.
- At December 31, 2017, the District's governmental funds reported total ending fund balances of \$2,367,461 an increase of \$367,425 from December 31, 2016. The entire balance is available for spending at the District's discretion (unassigned fund balance).

North Bienville Fire Protection District
Arcadia, Louisiana

Management's Discussion and Analysis
As of and for the year ended December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

	Governmental Activities	
	2017	2016
Assets		
Cash and equivalents	\$ 1,255,421	\$ 946,511
Investments	402,623	396,875
Accounts receivable	684,506	633,563
Cash and equivalents - restricted	61,445	61,291
Capital assets (net of accumulated depreciation)	<u>1,014,362</u>	<u>1,349,830</u>
Total Assets	<u>3,418,357</u>	<u>3,388,070</u>
Deferred Outflows of Resources		
Liabilities		
Accounts payable	2,391	7,105
Payroll liabilities	2,949	-
Bonds payable - current portion	30,046	28,826
Interest payable	<u>1,149</u>	<u>2,728</u>
Total Liabilities	<u>36,535</u>	<u>68,708</u>
Deferred Inflows of Resources		
Net Position		
Net investment in capital assets	1,014,362	1,290,955
Unrestricted	<u>2,367,460</u>	<u>1,967,116</u>
Total Net Position	<u>\$ 3,381,822</u>	<u>\$ 3,319,362</u>

North Bienville Fire Protection District
Arcadia, Louisiana

Management's Discussion and Analysis
As of and for the year ended December 31, 2017

Summary of Change in Net Position

	Governmental Activities	
	2017	2016
Revenues		
Charges for services	\$ 5	\$ 20
Taxes:		
Ad valorem tax	628,260	621,964
Operating grant	2,190	-
Intergovernmental	22,539	12,734
Investment earnings	18,808	13,591
Gain (loss) on investments	841	-
Miscellaneous	3,664	-
Total revenues	<u>676,307</u>	<u>648,309</u>
Expenses		
Current:		
General government	613,846	624,351
Total expenses	<u>613,846</u>	<u>624,351</u>
Change in net position	62,461	23,958
Net position - December 31, 2016	<u>3,319,362</u>	<u>3,295,404</u>
Net position - December 31, 2017	<u><u>\$ 3,381,823</u></u>	<u><u>\$ 3,319,362</u></u>

Governmental activities. The most significant revenues of the governmental activities are ad valorem taxes (93%).

Governmental activities revenues increased by \$27,998 in the current year as compared to the prior year.

Governmental activities expenses decreased by \$10,505 in the current year as compared to the prior year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental funds. As of December 31, 2017, the combined governmental fund balances of \$2,367,461 reflect an increase of \$339,055 from December 31, 2016. The entire fund balance is unassigned, which is considered available for appropriation.

The increases in the revenues and expenses of the governmental funds were described in the above Government-Wide Financial Analysis section.

North Bienville Fire Protection District
Arcadia, Louisiana

Management's Discussion and Analysis
As of and for the year ended December 31, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund final actual revenues were less budgeted revenue by \$17,543. General Fund final budgeted expenditures were less than actual expenditures by \$433,218. The budget was amended during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. As of December 31, 2017, the North Bienville Fire Protection District's investment in capital assets for its governmental activities totals \$1,014,362 (net of accumulated depreciation). This investment includes buildings and improvements, furniture, and equipment. During the year ended December 31, 2017, the District purchased equipment of \$7,957.

Debt administration. At year ended December 31, 2017, the District had no long-term obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2018 budget is forecast to provide \$648,115 in revenues to fund costs of \$735,600.

Capital outlay is budgeted in the amount of \$400,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the North Bienville Fire Protection District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Chief Gary Hathorn, 1934 South Railroad Avenue, Arcadia, LA 71001-3721.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

North Bienville Fire Protection District
Arcadia, Louisiana

Statement of Net Position
As of December 31, 2017

		Governmental Activities
Assets		
Cash and equivalents	\$	1,255,421
Investments		402,623
Accounts receivable		684,506
Cash and equivalents - restricted		61,445
Capital assets (net of accumulated depreciation)		1,014,362
Total Assets		3,418,357
Liabilities		
Current Liabilities:		
Accounts payable		2,391
Payroll liabilities		2,949
Notes payable		30,046
Interest payable		1,149
Non-Current Liabilities:		
Notes payable		-
Total Liabilities		36,535
Net Position		
Net investment in capital assets		1,014,362
Unrestricted		2,367,460
Total Net Position	\$	3,381,822

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

North Bienville Fire Protection District
Arcadia, Louisiana

Statement of Activities
For the Year Ended December 31, 2017

	Major Funds			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Functions/Programs</u>					
Primary government					
Governmental activities					
Fire	\$ 613,846	\$ 5	\$ 2,190	\$ -	\$(611,651)
Total governmental activities	<u>\$ 613,846</u>	<u>\$ 5</u>	<u>\$ 2,190</u>	<u>\$ -</u>	<u>\$(611,651)</u>
<u>General Revenues</u>					
Taxes:					
Property taxes, levied for general purposes					628,260
Intergovernmental					22,539
Investment earnings					18,808
Other revenue					3,664
Gain (loss) on investments					841
Total general revenues and transfers					<u>674,112</u>
Change in net position					62,461
Net position - December 31, 2016					<u>3,319,362</u>
Net position - December 31, 2017					<u>\$ 3,381,823</u>

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

FUND FINANCIAL STATEMENTS

North Bienville Fire Protection District
Arcadia, Louisiana

Balance Sheet - Governmental Funds
As of December 31, 2017

		Governmental Funds
Assets		
Cash and equivalents	\$	1,255,421
Investments		402,623
Accounts receivable		684,506
Cash and equivalents - restricted		61,445
Total Assets	\$	<u>2,403,995</u>
Liabilities & Fund Balances		
Liabilities:		
Accounts payable	\$	2,391
Payroll liabilities		2,949
Notes payable - current		30,046
Notes payable - interest		1,149
Total Liabilities		<u>36,535</u>
Fund balances:		
Unassigned, reported in:		
General revenue fund		<u>2,367,460</u>
Total Fund Balances		<u>2,367,460</u>
Total Liabilities and Fund Balances	\$	<u>2,403,995</u>

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

North Bienville Fire Protection District
Arcadia, LouisianaReconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of December 31, 2017

Total Fund Balances at December 31, 2017 - Governmental Funds (Statement C) \$	2,367,460
--	-----------

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 governmental funds, net of depreciation.	<u>1,014,362</u>
---	------------------

Net Position at December 31, 2017	<u><u>\$ 3,381,822</u></u>
-----------------------------------	----------------------------

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

North Bienville Fire Protection District
Arcadia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2017

	Governmental Funds
Revenues	
Taxes:	
Ad valorem tax	\$ 628,260
Operating grant	2,190
Intergovernmental	22,539
Charges for services	5
Total revenues	652,994
Expenditures	
Current:	
Public safety	
Personnel services	130,568
Supplies	27,809
Utilities	16,955
Repairs and maintenance	19,487
Contractual services	14,679
Miscellaneous	5,274
Insurance	40,929
Office	13,724
Capital outlay	7,957
Total expenditures	277,382
Excess (deficiency) of revenues over (under) expenditures	375,612
Other financing sources (uses)	
Interest earnings	18,808
Net increase (decrease) in investments	841
Notes payable principal expenditures	(28,924)
Notes payable interest expenditures	(2,576)
Miscellaneous	3,664
Total other financing sources (uses)	(8,187)
Net changes in fund balances	367,425
Fund balances - December 31, 2016	2,028,406
Prior period adjustment for notes payable principal expenditures	(28,370)
Fund balances - December 31, 2017	\$ 2,367,461

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

North Bienville Fire Protection District
Arcadia, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Funds Balances to the Statement of Activities
For the Year Ended December 31, 2017

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	367,424
--	----	---------

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets capitalized over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation		(343,426)
--------------	--	-----------

Capital outlay		7,957
----------------	--	-------

Notes payable principal expense, which is considered an other financing use on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is a reduction of notes payable on the Government-Wide Statements. Notes payable proceeds, which is considered an other financing sources on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is an increase in capital assets on the Government-Wide Statements.

Notes payable principal expense		28,924
---------------------------------	--	--------

Notes payable principal expense in excess of requirement		1,581
--	--	-------

Change in net position of governmental activities (Statement B)	\$	62,460
---	----	--------

**NOTES TO THE
FINANCIAL STATEMENTS**

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

INTRODUCTION

The North Bienville Fire Protection District of Bienville Parish, a component unit of the Bienville Parish Police Jury, is located in northeast Louisiana. As provided by Louisiana Revised Statute 33:7721, the District is governed by a Board of Commissioners consisting of five members appointed by the Bienville Parish Police Jury. The members of the Board of Commissioners do not receive compensation. The District is responsible for maintaining and operating fire stations and equipment and providing fire protection within boundaries of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The District applies all relevant GASB pronouncements, and GAAP, as applicable to governmental entities. Also, the District's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513 and Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the 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.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

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 Bienville Parish Police Jury approves the organization's governing body, and the potential for the organization to provide specific benefits to or impose specific financial burdens on the police jury, the District was determined to be a component unit of the Bienville 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. Government-Wide Financial Statements

The District's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities for the District. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the North Bienville Fire Protection District's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the District's taxpayers or citizenry, including (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; program revenues reduce the cost of the function to be financed from the District's general revenues.

Direct Expenses - The District reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The District reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

General revenues are taxes and other items that are not properly included among program revenues.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

D. Fund Financial Statements

The accounts of the North Bienville Fire Protection District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Funds of the District are classified into one category: governmental.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an expenditure. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The North Bienville Fire Protection District reports the following major governmental funds:

General Fund - The primary operating fund of the District, the General Fund accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

Revenues

The governmental funds use the following practices in recording revenues:

Those revenues susceptible to accrual are property taxes and charges for services.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Principal and interest on long-term debt are recognized when due.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Sales of fixed assets and long-term debt proceeds and payments are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

E. Equity Classifications

The North Bienville Fire Protection District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any nonspendable funds for the year ended December 31, 2017.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted funds for the year ended December 31, 2017.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. These amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board typically establishes commitments through the adoption and amendment of the budget. The District did not have any committed funds for the year ended December 31, 2017.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Commissioners or through the Board delegating this responsibility to a body or official (Fire Chief) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has no assigned funds for year ended December 31, 2017.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. All funds of the District are designated as unassigned.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

F. Budgets

The Fire Chief prepares a proposed budget and submits it to the Board of Commissioners. The budget is adopted through passage of a formal motion and vote by the Board prior to the commencement of the fiscal year for which the budget is being adopted. The Board of Commissioners may revise or amend the budget at its discretion during legally convened sessions. The District utilizes formal budgetary integration as a management control device for all funds.

The 2017 General Fund budget was published in the official journal and made available for public inspection. The budget was adopted by the Board of Commissioners on November 7, 2016. The budget had one amendment that was adopted by the Board of Commissioners on December 11, 2017.

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 North Bienville Fire Protection District may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The District may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

H. Investments

The North Bienville Fire Protection District's investments comply with Louisiana Revised Statute 33:2955. Under state law, the District may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for the following, which are permitted under GASB Statement No. 31:

Investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The District reports at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity at the time of purchase of one year or less. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

I. Capital Assets

Capital assets, which include property, plant, and equipment, are recorded in the governmental column of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Buildings and improvements	10-25 years
Equipment and vehicles	3-10 years

J. Deferred Outflows of Resources

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The District did not report any deferred outflows of resources, and no deferred outflows of resources affect the governmental funds financial statements.

K. Deferred Inflows of Resources

The District reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The District will not recognize the related revenues until a future event occurs. The District did not report any deferred inflows of resources in the government-wide and proprietary fund statements, and no deferred inflows of resources affect the governmental funds financial statements.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

2. Ad Valorem Tax

Ad Valorem taxes are collected by the Bienville Parish Tax Collector (Bienville Parish Sheriff) and remitted to the North Bienville Fire Protection District. Ad Valorem taxes are assessed on a calendar year basis by the Bienville Parish Tax Assessor. Billed taxes become delinquent on December 31 of the current year. Ad Valorem taxes attach as an enforceable lien on property on December 31 of each year. The taxes are generally collected in December of the current year and January and February of the ensuing year. The following is a summary of the authorized and levied Ad Valorem taxes.

This millage was approved by the Board of Commissioners. This millage is the maximum millage that can be assessed without the approval of the voters of the District.

	Authorized Millage	Levied Millage	Expiration Date
Maintenance	6.70	6.70	2018

3. Cash, Cash Equivalents, and Investments

At December 31, 2017, the District had cash and cash equivalents (book balances) totaling \$1,316,866. 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, 2017, the District had \$1,339,040 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 federal deposit insurance, and \$1,175,064 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 North Bienville Fire Protection District has complied with these requirements of state law.

Cash and investments are categorized to give an indication of the level of risk assumed by the District at December 31, 2017. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The North Bienville Fire Protection District has cash and cash equivalents that are covered by \$250,000 of federal depository insurance. The remaining balance is exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging financial institution.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

4. Investments

The North Bienville Fire Protection District maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the District may invest in obligations of the U.S. Treasury and U.S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

There are three fair valuation techniques that are prescribed in GASB Statement No. 72: the market approach, the cost approach, or the income approach. The District values all investments other than certificates of deposit whose maturities are one year or less using the market approach which uses prices and other relevant information generated by market transactions involving similar assets or groups of assets. Certificates of deposit whose maturities are one year or less are measured at amortized cost.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date. Level 2 inputs are inputs-other than quoted prices included within Level 1-that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset, and the government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Below are the fair value measurements of the investments held by the North Bienville Fire Protection District at December 31, 2017.

Type of Investment	Level 1	Level 2	Level 3	Amortized Cost	Total
U.S. Government Securities	\$ 402,623	\$ -	\$ -	\$ -	\$ 402,623
Total	<u>\$ 402,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,623</u>

Investment earnings at December 31, 2017, are as follows:

	Amount
Interest	\$ -
Dividends	4,908
Capital gains (losses)	-
Unrealized gains (losses)	841
Total	<u>\$ 5,749</u>

5. Receivables

The receivables of \$684,506 at December 31, 2017, are as follows:

	Amount
Taxes	\$ 684,506
Total	<u>\$ 684,506</u>

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

6. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2017, is as follows:

	Balance, January 01, 2017	Additions	Deletions	Balance, December 31, 2017
Capital assets not being depreciated				
Land	\$ 2,600	\$ -	\$ -	\$ 2,600
Total capital assets not being depreciated	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>2,600</u>
Capital assets being depreciated				
Buildings	640,883	-	-	640,883
Vehicles	3,799,360	-	-	3,799,360
Equipment	536,525	7,957	-	544,482
Improvements	97,871	-	-	97,871
Total capital assets being depreciated	<u>5,074,639</u>	<u>7,957</u>	<u>-</u>	<u>5,082,596</u>
Less accumulated depreciation				
Buildings	335,952	21,705	-	357,657
Vehicles	2,790,725	304,697	-	3,095,422
Equipment	509,495	15,514	-	525,010
Improvements	91,236	1,510	-	92,746
Total accumulated depreciation	<u>3,727,408</u>	<u>343,426</u>	<u>-</u>	<u>4,070,835</u>
Net capital assets being depreciated	<u>1,347,231</u>	<u>(335,469)</u>	<u>-</u>	<u>1,011,761</u>
Capital assets, net	<u>\$ 1,349,831</u>	<u>\$ (335,469)</u>	<u>\$ -</u>	<u>\$ 1,014,361</u>

Depreciation expense of \$343,426 was charged to the public safety function.

7. Payables

The payables of \$5,340, at December 31, 2017, are as follows:

	Amount
Accounts	\$ 2,391
Payroll liabilities	2,949
Total	<u>\$ 5,340</u>

8. Retirement Plans

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

9. Long-Term Obligations

The long-term obligations of the North Bienville Fire Protection District consisted of taxable general obligation bonds, Series 2007, with an interest rate of 4.375%, dated February 15, 2011 in the original amount of \$250,000. Scheduled principal and interest payments are due annually through February of 2018. General Obligation Bonds constitute obligations of the District and will be payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana of 1974 and statutory authority supplemental thereto. The General Obligation Bonds of the District will only be used for acquiring and purchasing firetrucks and firefighting equipment of said district, title to which shall be in the public. The District shall deposit in the sinking fund monthly in advance on or before the 20th day of each month, a sum equal to 1/12th of the principal and interest falling due on the next payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same fall date. The District shall transfer monthly on or before the 20th day of each month of each year a sum equal to 10% of the amount to be paid monthly in the reserve fund until such time has been accumulated a sum equal to the lesser of 10% of the principal amount of the certificates (\$25,000) or the principal and interest falling due on the certificates in any succeeding fiscal year. The following is a summary of the long-term obligation transactions for the year ended December 31, 2017:

Long-term obligation	Balance, January 01, 2017	Additions	Deletions	Balance, December 31, 2017
General Obligation Bonds, Series 2007	\$ 58,872	\$ -	\$ 28,826	\$ 30,046
Total	<u>\$ 58,872</u>	<u>\$ -</u>	<u>\$ 28,826</u>	<u>\$ 30,046</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2017:

Long-term obligation	Current portion	Long-term portion	Total
General Obligation Bonds, Series 2007	30,046	-	30,046
Total	<u>\$ 30,046</u>	<u>\$ -</u>	<u>\$ 30,046</u>

The following is a summary of the present value of the net minimum lease payments:

Year ending December 31:	Principal	Interest
2018	\$ 30,046	\$ 1,315
Total	<u>\$ 30,046</u>	<u>\$ 1,315</u>

10. Grants

During the year ended December 31, 2017, the North Bienville Fire Protection District received a grant of \$2,190 from the Louisiana Department of Agriculture and Forestry. This grant was used for equipment.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2017

11. Risk Management

The District is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the District maintains commercial insurance policies covering each of these risks of loss. The District believes such coverage is sufficient to preclude any significant uninsured losses to the District. No claims were paid on any of the policies during the past three years, which exceeded the policies' coverage amount.

12. Litigation and Claims

At December 31, 2017, the District was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2018, 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.

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants
email: kfolden@foldencpa.com

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants
email: tsanderlin@foldencpa.com

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

North Bienville Fire Protection District
Arcadia, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the North Bienville Fire Protection District, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the North Bienville Fire Protection District's basic financial statements and have issued our report thereon dated June 27, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Bienville Fire Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Bienville Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Bienville Fire Protection District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Bienville Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bienville Fire Protection District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kenneth D. Felden + Co., CPAs

Jonesboro, Louisiana
June 27, 2018

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART II

North Bienville Fire Protection District
Arcadia, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2017

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Ad valorem tax	\$ 579,329	\$ 639,115	\$ 628,260	\$ (10,855)
Contributions	-	-	2,190	2,190
Intergovernmental	-	-	22,539	22,539
Charges for services	-	-	5	5
Total revenues	<u>579,329</u>	<u>639,115</u>	<u>652,994</u>	<u>13,879</u>
Expenditures				
Current:				
Public safety				
Personnel services	157,800	157,800	130,568	27,232
Supplies	32,000	32,000	27,809	4,191
Utilities	15,900	15,900	16,955	(1,055)
Repairs and maintenance	47,000	47,000	19,487	27,513
Contractual services	10,000	10,000	14,679	(4,679)
Miscellaneous	2,600	2,600	5,274	(2,674)
Insurance	40,000	40,000	40,929	(929)
Office	5,300	5,300	13,724	(8,424)
Capital outlay	400,000	400,000	7,957	392,043
Total expenditures	<u>710,600</u>	<u>710,600</u>	<u>277,382</u>	<u>433,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(131,271)</u>	<u>(71,485)</u>	<u>375,612</u>	<u>447,097</u>
Other financing sources (uses)				
Interest earnings	9,000	9,000	18,808	9,808
Net increase (decrease) in investments	-	-	841	841
Capital lease principal expenditures	(25,000)	(25,000)	(28,924)	(3,924)
Capital lease interest expenditures	-	-	(2,576)	(2,576)
Miscellaneous	-	3,664	3,664	3,664
Total other financing sources (uses)	<u>(16,000)</u>	<u>(12,336)</u>	<u>(8,187)</u>	<u>7,813</u>
Net changes in fund balances	(147,271)	(83,821)	367,425	454,910
Fund balances - December 31, 2016	2,028,406	2,028,406	2,028,406	-
Prior period adjustment for notes payable principal expenditures	(28,370)	(28,370)	(28,370)	-
Fund balances - December 31, 2017	<u>\$ 1,852,765</u>	<u>\$ 1,916,215</u>	<u>\$ 2,367,461</u>	<u>\$ 454,910</u>

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

SUPPLEMENTAL INFORMATION

North Bienville Fire Protection District
Arcadia, Louisiana

Schedule of Findings and Questioned Costs
For the year ended December 31, 2017

We have audited the basic financial statements of the North Bienville Fire Protection District as of and for the year ended December 31, 2017 and have issued our report thereon dated June 27, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2017 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

B. Findings - Financial Statements Audit

Current Year

No current year findings.

Prior Year

No prior year findings.

North Bienville Fire Protection District
Arcadia, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended December 31, 2017

Gary Hathorn Fire Chief		
Salary	\$	91,763
Telephone		<u>2,400</u>
	\$	<u><u>94,163</u></u>

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants
email: kfolden@foldencpa.com

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants
email: tsanderlin@foldencpa.com

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the North Bienville Fire Protection District
Arcadia, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the North Bienville Fire Protection District and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2017 through December 31, 2017. Management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a. Budgeting, including preparing, adopting, monitoring, and amending the budget,
 - b. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c. Disbursements, including processing, reviewing, and approving,
 - d. Receipts, including receiving, recording, and preparing deposits,
 - e. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked,
 - f. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process,
 - g. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage,
 - h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers,

i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy, and

j. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exception: The District had written policies and procedures with the exception of receipts, payroll/personnel, ethics, and debt service.

Management's Response: The District will document the policies and procedures on the above topics.

Board

2. Obtain and review the board/committee minutes for the fiscal period, and

a. Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Response: The District met four times during the year.

b. Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Response: The minutes did not reference acceptance of financial statements.

c. Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Response: The minutes referenced non-budgetary financial statements.

Exception: See above responses.

Management's Response: The Board of Commissioners will review budget-to-actual comparisons and document the review in the meeting minutes.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Response: Management provided us with a list of bank accounts and representation that the list is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

a. Bank reconciliations have been prepared;

Response: Bank reconciliations are completed for each month.

b. Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Response: There is no indication that a member of management has reviewed the reconciliation.

c. If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Response: There were 7 outstanding checks and 1 outstanding deposits/credits that were more than six months old, and there is no documentation to indicate that these items have researched.

Exception: See above responses.

Management's Response: A member of the Board of Commissioners will review all reconciliations indicated by initials and a date of review. The District will research the transactions and deposits/credits over six months old, and the District will monitor the reconciliation each month for any items that become more than six months old.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Response: Collection location is the North Bienville Fire Station.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

a. Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Response: The only cash collected is \$5 per fire report; total revenue for 2017 was \$5. All other collections are checks mailed to the District. The person collecting cash is not bonded. That same person is responsible for collecting cash, depositing cash, recording transactions, and for reconciling bank statements. There is no cash register or drawer.

b. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Response: There is no formal process for reconciling cash collections to the general ledger.

c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

i. Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Response: There was one deposit for the week of January 13, 2017, and the deposit was made four business days after the receipt of the funds.

ii. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Response: The one deposit was supported by a check stub as collection documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Response: There is no written policy or procedure to determine completeness of all collections.

Exception: See above responses.

Management's Response: The District will develop a written policy and procedures for reconciling cash collections to the general ledger and for determining the completeness of all collections. The District will also develop a written policy and procedures to insure that all deposits are made timely (i.e. sequentially numbered receipts, system report, or reconciliation worksheets).

Disbursements - General

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Response: Management provided a listing of disbursements.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a. Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b. Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c. Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Response: The District does not use a purchase order system; however, the bills are approved for payment and the checks require 2 signatures. All purchases were supported by a detailed invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Response: There is not written policy on vendor entry.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Response: The Secretary has authority to sign checks but does not approve purchases or initiate purchases. The checks require 2 signatures, so a Board member has to sign them (Board members do not initiate purchases).

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Response: Supply of unused checks are kept in a locked location.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Response: No signature stamp or machine is used.

Exception: See above responses.

Management's Response: The District will include in its written policy and procedures on disbursements procedures on adding vendors.

Credit Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Response: The District only has one debit card and one credit card.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

a. Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Response: The credit card statements were reviewed by a Board member. Debit card receipts were not reviewed (no documentation in writing).

b. Report whether finance charges and/or late fees were assessed on the selected statements.

Response: There were no finance charges or late fees on any of the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

a. For each transaction, report whether the transaction is supported by:

i. An original itemized receipt (i.e., identifies precisely what was purchased)

Response: There were no itemized receipts for the credit card. For the debit card, there were eight of 12 receipts for the statement reviewed.

ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Response: The statement did not include documentation of the business purpose. For meal charges, there was no documentation of individuals participating.

iii. Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Response: No other documentation is required.

b. For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Response: No exceptions to the policy or the Louisiana Public Bid Law.

c. For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Response: No payments were made that would violate Article 7, Section 14 of the Louisiana Constitution.

Exception: See above responses.

Management's Response: A member of a Board of Commissioners will review debit card receipts for approval. The District will insure that documentation for all credit card purchases include the business purposes. For meal charges, there will be documentation of individuals participating.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Response: Management provided a listing of travel and related expense reimbursements.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Response: The written policy uses the same rates established by the U.S. General Services Administration.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

Response: There were no reimbursements for travel and related expenses.

a. Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

b. Report whether each expense is supported by:

i. An original itemized receipt that identifies precisely what was purchased.

ii. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

iii. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

c. Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

d. Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exception: There are no reimbursements for travel and related expenses.

Management's Response: None.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Response: Management provided a listing of contracts.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

a. Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Response: The District had one contract supported by a written contract indicating the services arrangement and amount to be paid.

b. Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

Response: The District had no contracts that were subject to public bid law or procurement code.

i. If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Response: Not applicable.

ii. If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Response: The contract is for a rental of a communications tower, and there would be no way to solicit quotes.

c. Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Response: There were no amendments to any of the contracts.

d. Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Response: The invoices and related payments complied with the terms and conditions of the contract.

e. Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Response: The Board of Commissioners approved the contract during the December 15, 2016 meeting.

Exception: See above responses.

Management's Response: None.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

a. Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Response: There are no employee contracts and no pay structure. Raises are approved by the Board through adoption of the budget.

b. Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Response: Pay changes were approved by the Board through the adoption of the budget.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

a. Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Response: There are no time sheets or leave documentation. Employees are part-time and do not earn leave.

b. Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Response: There are no time sheets or leave documentation. Employees are part-time and do not earn leave.

c. Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Response: There are no time sheets or leave documentation. Employees are part-time and do not earn leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Response: Per discussion with management and review of payroll records, there was one termination and no termination payments.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Response: We reviewed payroll tax reports and all were completed correctly.

Exception: See above responses.

Management's Response: Management will implement the practice of keeping attendance records.

Ethics

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Response: Ethics training was completed by each employee.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Response: Per discussion with management, there were no alleged ethics violations reported.

Exception: None.

Management's Response: None.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Response: Not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Response: The District made the scheduled debt service payments and maintained debt reserves as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Response: Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Response: Per discussion with management, there were no misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Response: We observed the notice posted at the fire station.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Response: We did not observe any other exceptions regarding management's representations in the procedures above.

We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kenneth D. Falden & Co., CPAs

Jonesboro, Louisiana
June 27, 2018

**NORTH BIENVILLE PARISH FIRE PROTECTION DISTRICT
GARY K. HATHORN, FIRE CHIEF**

**P.O. BOX 731
1934 SOUTH RAILROAD AVENUE
ARCADIA, LA 71001
PHONE: (318) 263-9999
FAX: (318) 263-9998
E-MAIL: northbienvillefiredept@yahoo.com**

June 27, 2018

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

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2017 through December 31, 2017, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; disbursements; credit/debit/fuel/purchasing cards; travel and expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas as applicable.

Yes No
2. For the fiscal period January 1, 2017 through December 31, 2017, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No
4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No
5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2017, and June 27, 2018.

Yes No

6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

7. We represent that the listing of bank accounts provided to you is complete.

Yes No

8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.

Yes No

9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.

Yes No

10. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards, provided to you is complete.

Yes No

11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.

Yes No

12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.

Yes No

13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.

Yes No

14. We represent that the listing of employees (and elected officials, if applicable) that terminated during the fiscal period provided to you is complete.

Yes No

15. We have disclosed to you other data you deemed necessary to complete SAUPs.

Yes No

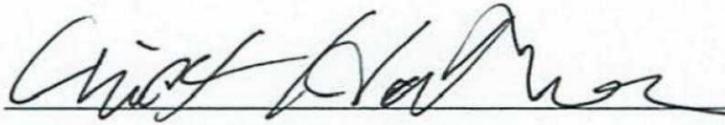
16. We have responded fully to all inquiries made by you during the engagement.

Yes No

17. We are not aware of any events that have occurred subsequent to December 31, 2017, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes No

The previous responses have been made to the best of our belief and knowledge.

Signature  Date June 27, 2018

Title Fire Chief