

**FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2018**

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 2018
With Supplemental Information Schedules

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FIRE PROTECTION DISTRICT NO. 6
 OF BIENVILLE PARISH
 Castor, Louisiana
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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Fire Protection District No. 6 of Bienville Parish, a component unit of the Bienville Parish Police Jury, as of December 31, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Fire 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 Fire District'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 Fire District's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Independent Auditor's Report,
December 31, 2018

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and major fund information of the Fire District as of December 31, 2018, and the respective changes in financial position 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 the budgetary comparison information and notes to required supplementary 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

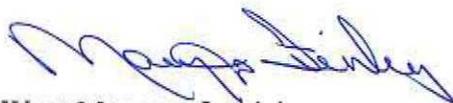
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire District's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 32 is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

This schedule 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 my opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Independent Auditor's Report,
December 31, 2018

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 7, 2019, on my consideration of the Fire Protection District No. 6 of Bienville Parish's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Fire District's internal control over financial reporting and compliance.



West Monroe, Louisiana
June 7, 2019

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Management's Discussion and Analysis
December 31, 2018

As management of the Fire Protection District No. 6 of Bienville Parish, we offer readers of the Fire Protection District No. 6 of Bienville Parish financial statements this narrative overview and analysis of the financial activities of the Fire Protection District No. 6 of Bienville Parish for the fiscal year ended December 31, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Fire Protection District No. 6 of Bienville Parish basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary 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 overview of the Fire Protection District No. 6 of Bienville Parish finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Fire Protection District No. 6 of Bienville Parish 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 Fire Protection District No. 6 of Bienville Parish 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, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fire Protection District No. 6 of Bienville Parish, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Fire Protection District No. 6 of Bienville Parish 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 of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 Fire Protection District No. 6 of Bienville Parish adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

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.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Fire Protection District No. 6 of Bienville Parish performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Fire Protection District No. 6 of Bienville Parish exceeded liabilities by \$1,744,127. Approximately 54% of the Fire Protection District No. 6 of Bienville Fire net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Fire Protection District No. 6 of Bienville Parish to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

| ASSET | <u>2018</u> | <u>2017</u> |
|--|--------------------|--------------------|
| Cash and cash equivalents | \$379,445 | \$264,724 |
| Receivables - ad valorem taxes | 446,671 | 432,458 |
| Capital assets (net of accumulated depreciation) | <u>946,658</u> | <u>1,110,626</u> |
| TOTAL ASSETS | <u>\$1,772,774</u> | <u>\$1,807,808</u> |

LIABILITIES

| | | |
|-------------------|-----------------|-----------------|
| Accounts payable | <u>\$28,647</u> | <u>\$30,736</u> |
| TOTAL LIABILITIES | 28,647 | 30,736 |

NET POSITION

| | | |
|---|--------------------|--------------------|
| Invested in capital assets, net of related debt | 946,658 | 1,110,626 |
| Unrestricted | <u>797,469</u> | <u>666,446</u> |
| TOTAL NET POSITION | <u>\$1,744,127</u> | <u>\$1,777,072</u> |

STATEMENT OF ACTIVITIES

| | <u>2018</u> | <u>2017</u> |
|---|--------------------|--------------------|
| Public safety: | | |
| Personal services | \$137,231 | \$107,451 |
| Operating services | 142,549 | 170,958 |
| Materials and supplies | 12,006 | 24,115 |
| Travel | 7,850 | 5,723 |
| Intergovernmental | 13,823 | 14,976 |
| Depreciation expense | <u>187,745</u> | <u>183,428</u> |
| Total Program Expenses | <u>501,204</u> | <u>506,651</u> |
| General revenues: | | |
| Taxes - ad valorem | 446,680 | 430,719 |
| State grant | 6,000 | |
| Fire insurance rebate | 7,991 | 8,987 |
| Interest earned | 1,642 | 2,039 |
| Other revenues | 5,793 | 11,478 |
| Special item - gain on disposal of assets | <u>153</u> | |
| Total General Revenues | <u>468,259</u> | <u>453,223</u> |
| Change in Net Position | (32,945) | (53,428) |
| Net Position - Beginning of year | <u>1,777,072</u> | <u>1,830,500</u> |
| Net Position - End of year | <u>\$1,744,127</u> | <u>\$1,777,072</u> |

Financial Analysis of the Government's Funds

As noted earlier, the Fire Protection District No. 6 of Bienville Parish 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2018, the general fund's governmental fund balances of \$797,469 showed an increase of \$131,023 over December 31, 2017.

General Fund Budgetary Highlights

There was no budget amendment for the current year.

Capital Asset and Debt Administration

Capital assets. The Fire Protection District No. 6 of Bienville Parish investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$946,658 (net of accumulated depreciation).

This investment includes buildings, vehicles, and equipment. There were increases of \$23,777 and decreases of \$35,000 for the year.

Long-term debt. There was no long term debt outstanding at December 31, 2018.

Requests for Information

This financial report is designed to provide a general overview of the Fire Protection District No. 6 of Bienville Parish finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fire Protection District No. 6 of Bienville Parish, P.O. Box 199, Castor, LA 71016.

June 7, 2019

BASIC FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

STATEMENT OF NET POSITION
December 31, 2018

ASSETS

| | |
|--|----------------------------------|
| Cash and cash equivalents | \$379,445 |
| Receivables - ad valorem taxes | 446,671 |
| Capital assets (net of accumulated depreciation) | <u>946,658</u> |
| TOTAL ASSETS | <u><u>\$1,772,774</u></u> |

LIABILITIES

| | |
|------------------|----------|
| Accounts payable | \$28,647 |
|------------------|----------|

NET POSITION

| | |
|---|----------------------------------|
| Invested in capital assets, net of related debt | 946,658 |
| Unrestricted | <u>797,469</u> |
| TOTAL NET POSITION | <u><u>\$1,744,127</u></u> |

See accompanying notes and accountant's compilation report.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2018

| | |
|--|--------------------|
| Public safety: | |
| Personal services | \$137,231 |
| Operating services | 142,549 |
| Materials and supplies | 12,006 |
| Travel | 7,850 |
| Intergovernmental | 13,823 |
| Depreciation expense | 187,745 |
| Total Program Expenses | <u>501,204</u> |
| General revenues: | |
| Taxes - ad valorem | 446,680 |
| State grant | 6,000 |
| Fire insurance rebate | 7,991 |
| Interest earned | 1,642 |
| Other revenues | 5,793 |
| Special items - gain on disposal of assets | 153 |
| Total General Revenues | <u>468,259</u> |
| Change in Net Position | (32,945) |
| Net Position - Beginning of year | <u>1,777,072</u> |
| Net Position - End of year | <u>\$1,744,127</u> |

See accompanying notes and accountant's compilation report.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2018

ASSETS

| | |
|--------------------------------|--------------------------------|
| Cash and cash equivalents | \$379,445 |
| Receivables - ad valorem taxes | <u>446,671</u> |
| TOTAL ASSETS | <u><u>\$826,116</u></u> |

LIABILITIES AND FUND EQUITY

| | |
|--|--------------------------------|
| Liabilities - accounts payable | \$28,647 |
| Fund Equity - fund balances - unassigned | <u>797,469</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u><u>\$826,116</u></u> |

See accompanying notes and accountant's compilation report.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2018

| | | |
|--|--------------------|--------------------|
| Total Fund Balances at December 31, 2018 - Governmental Funds (Statement C) | | <u>\$797,469</u> |
| Cost of capital assets at December 31, 2018 | \$3,345,113 | |
| Less: Accumulated depreciation as of December 31, 2018 | <u>(2,398,455)</u> | <u>946,658</u> |
| Net Position at December 31, 2018 (Statement A) | | <u>\$1,744,127</u> |

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2018

| | |
|--|-------------------------|
| REVENUES | |
| Ad valorem taxes | \$446,680 |
| State grant | 6,000 |
| Intergovernmental revenues - | |
| Fire insurance rebate | 7,991 |
| Use of money and property | 1,642 |
| Miscellaneous revenues | 5,793 |
| Total revenues | <u>468,106</u> |
| EXPENDITURES | |
| Public safety: | |
| Current: | |
| Personal services | 137,231 |
| Operating services | 142,549 |
| Materials and supplies | 12,006 |
| Travel and other | 7,850 |
| Capital outlay | 23,777 |
| Intergovernmental | 13,823 |
| Total expenditures | <u>337,236</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 130,870 |
| OTHER FINANCING SOURCE- | |
| Disposal of assets | <u>153</u> |
| EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES | <u>131,023</u> |
| FUND BALANCE AT BEGINNING OF YEAR | <u>666,446</u> |
| FUND BALANCE AT END OF YEAR | <u><u>\$797,469</u></u> |

See accompanying notes and accountant's compilation report.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2018

| | |
|---|-------------------|
| Total net change in fund balances - governmental funds (Statement D) | \$131,023 |
| 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 is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period. | <u>(163,968)</u> |
| Change in net position of governmental activities (Statement B) | <u>(\$32,945)</u> |

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 6 of Bienville Parish was created by the Bienville Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 13, 1977. The district is governed by a five member board, two members appointed by the police jury, one member appointed by the Town of Castor, one member appointed by the Town of Bienville, and one appointed by board members. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

The accompanying financial statements of the Fire Protection District No. 6 of Bienville Parish have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

A. 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 primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the district, appoints certain commissioners of the district, and has the ability to impose its will on the district, 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 Bienville Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS-GOVERNMENT-WIDE STATEMENTS

The district's basic financial statements include both government-wide (reporting the district as a whole) and fund financial statements (reporting the district's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The district first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)

nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district's general revenues.

Allocation of Indirect 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. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the district are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

Governmental Fund Type

General Fund - The General Fund is the principal fund of the district and is used to account for the operations of the district's office. The various fees and charges due to the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes and other intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Under state law, the fire district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2018, the fire district has cash and cash equivalents (book balances) totaling \$379,445.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days

FIRE PROTECTION DISTRICT NO. 6
 OF BIENVILLE PARISH
 Castor, Louisiana
 Notes to the Financial Statements (Continued)

of being notified by the fire district that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Fire District’s name.

These deposits are secured as follows:

| | |
|---------------------------------------|-------------------------|
| Bank Balances | <u>\$382,437</u> |
| Federal deposit insurance | \$250,000 |
| Pledged securities (uncollateralized) | <u>203,374</u> |
| Total | <u><u>\$453,374</u></u> |

F. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the police jury maintains coverage on the fire district. The policy covers general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies’ coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2018.

G. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)

- c. Unrestricted net position - All 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 is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. 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.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the District’s office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority.

Assigned - represents balances that are constrained by the government’s intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$797,469. If applicable, the District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

FIRE PROTECTION DISTRICT NO. 6
 OF BIENVILLE PARISH
 Castor, Louisiana
 Notes to the Financial Statements (Continued)

H. 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.

2. LEVIED TAXES

The district is authorized to levy a maximum tax of 6.89 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 7.19 mills for 2018. The tax was renewed and will expire with the 2018 tax roll.

The difference between authorized and levied millage is the result of reassessments of taxable property in the parish, as required by Article VII, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2018 assessed valuation (amounts expressed in thousands).

| | 2018 Assessed Valuation | Per cent of Total Assessed Valuation |
|-----------------------------|-------------------------------|---|
| ETC Tiger Pipeline, LLC | \$47,233 | 12.80% |
| Gulf South Pipeline Company | 38,679 | 10.48% |
| Regency Intrastate | 26,923 | 7.30% |
| Bear Creek Storage Company | 17,592 | 4.77% |
| OEP Energy Company | 16,987 | 4.60% |
| Enable Gas Transmission | 12,973 | 3.52% |
| Tanos Exploration II | \$8,430 | 2.29% |
| Arcadia Gas Storage, LLC | 8,249 | 2.24% |
| Haynesville Oil & Gas | 8,184 | 2.22% |
| Tanos Exploration II (WH) | <u>8,082</u> | <u>2.19%</u> |
| Total | <u>\$193,332</u> | <u>52.41%</u> |

3. CHANGES IN CAPITAL ASSETS

The following presents the changes in capital assets for the year ended December 31, 2018:

FIRE PROTECTION DISTRICT NO. 6
 OF BIENVILLE PARISH
 Castor, Louisiana
 Notes to the Financial Statements (Continued)

| | Balance at January 1, | Additions | Deletions | Balance at December 31, |
|-----------------------------------|--------------------------|--------------------|-------------------|----------------------------|
| Land | \$100,000 | | | \$100,000 |
| Construction in Progress | NONE | | | NONE |
| Buildings | 913,266 | | | 913,266 |
| Vehicles | 1,950,560 | | (\$35,000) | 1,915,560 |
| Equipment | 392,510 | \$23,777 | | 416,287 |
| Total | <u>\$3,356,336</u> | <u>\$23,777</u> | <u>(\$35,000)</u> | <u>\$3,345,113</u> |
| Depreciation on capital assets | <u>(\$2,245,709)</u> | <u>(\$187,746)</u> | <u>\$35,000</u> | <u>(\$2,398,455)</u> |
| Net capital assets | <u>\$1,110,627</u> | <u>(\$163,969)</u> | <u>NONE</u> | <u>\$946,658</u> |

4. PENSION PLANS

The district has one full-time employee and several part time employees who participate in the social security system. The employee contributes 7.65% of their total salary to social security (FICA and Medicare) which is matched by employer contributions.

5. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2018, nor is it aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2018

| | BUDGET | ACTUAL (BUDGETARY BASIS) | VARIANCE FAVORABLE (UNFAVORABLE) |
|---|----------------|--------------------------------|--|
| REVENUES | | | |
| Taxes - ad valorem | \$491,960 | \$446,680 | (\$45,280) |
| State grant | | 6,000 | 6,000 |
| Intergovernmental revenues - | | | |
| Fire insurance rebate | 7,500 | 7,991 | 491 |
| Use of money and property | 1,000 | 1,642 | 642 |
| Miscellaneous revenues | | 5,793 | 5,793 |
| Total revenues | <u>500,460</u> | <u>468,106</u> | <u>(32,354)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government - public safety: | | | |
| Personal services and related benefits | 156,320 | 137,231 | 19,089 |
| Operating services | 151,200 | 142,549 | 8,651 |
| Materials and supplies | 17,000 | 12,006 | 4,994 |
| Travel and other charges | 17,500 | 7,850 | 9,650 |
| Capital outlay | 405,440 | 23,777 | 381,663 |
| Intergovernmental | 16,000 | 13,823 | 2,177 |
| Total expenditures | <u>763,460</u> | <u>337,236</u> | <u>426,224</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | (263,000) | 130,870 | 393,870 |
| OTHER FINANCING SOURCE- | | | |
| Disposal of assets | | 153 | 153 |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES | (263,000) | <u>131,023</u> | <u>394,023</u> |
| FUND BALANCE AT BEGINNING OF YEAR | <u>263,000</u> | <u>666,446</u> | <u>403,446</u> |
| FUND BALANCE AT END OF YEAR | <u>NONE</u> | <u>\$797,469</u> | <u>\$797,469</u> |

See accompanying note to budgetary comparison schedule.

Fire Protection District No. 6
of Bienville Parish
Castor, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts for the year ended December 31, 2018. There were no budget amendments for the year ended December 31, 2018.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2018

COMPENSATION PAID COMMISSIONERS

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive no compensation for meetings.

OTHER SUPPLEMENTARY INFORMATION

PART III

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2018

THOMAS 'ADRIAN' BATCHELOR, FIRE CHIEF

| <u>PURPOSE</u> | <u>AMOUNT</u> |
|-------------------------------------|---------------|
| Salary | \$27,000 |
| Benefits-social security & medicare | 2,066 |
| Membership dues | 100 |

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART III**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 239-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

**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***

BOARD OF DIRECTORS
FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

I have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of the Fire Protection District No. 6 of Bienville Parish, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements, and have issued my report thereon dated June 7, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fire 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fire District's internal control.

A deficiency in internal control exist 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 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 a 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.

My consideration of internal control 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 have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2018

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire District's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 2018-001 in the accompanying schedule of findings and questioned costs.

Fire Protection District No. 6 of Bienville Parish's Response to Findings

The Fire District's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The Fire District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District'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 Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
June 3, 2019

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

Schedule of Findings
For the Year Ended December 31, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the Fire Protection District No. 6 of Bienville Parish.
2. One instance of noncompliance material to the financial statements of the Fire Protection District No. 6 of Bienville Parish was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2018-001 Noncompliance with Local Government Budget Act

Condition: The Fire Protection District No. 6 of Bienville Parish failed to amend the budget.

Criteria: LSA-R.S. 39:1311(A)(1) requires that the budget should be amended if total revenue and other sources plus projected revenue and other sources for the remainder of the year are failing to meet total budgeted revenues and other sources by 5% or more.

Cause of Condition: Budgeted revenues exceeded actual revenues by approximately 7%..

Effect of Condition: Material noncompliance relating to the financial statements.

Recommendation: Management should amend the budget when required by law.

Response: Fire district anticipated revenues that were not received.

**FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2018**

There were no findings reported in the audit report for the year ended December 31, 2017.

BIENVILLE PARISH FIRE PROTECTION DISTRICT #6

PO BOX 190

CASTOR, LA 71016

(318) 544-9085

June 7, 2019

To: Louisiana Legislative Auditors

From: Bienville Parish Fire Protection District #6

Re: Findings-Noncompliance with Local Government Budget Act-Year ended 2018

Bienville Fire Protection District #6 expected to receive protested property taxes before year end 2018. We did not receive these taxes and we failed to amend the budget before year end 2018. In the future, we will amend the budget before year end.

Thank you,

A handwritten signature in blue ink, appearing to read 'Alvie Myers', with a stylized flourish at the end.

Alvie Myers, Board Chairman