

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2017

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bernice Volunteer Fire Department, Inc.
Bernice, Louisiana

We have audited the accompanying financial statements of the governmental activities of Bernice Volunteer Fire Department, Inc., as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Fire Department'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 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 an opinion 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 of 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental-type activities of the Fire Department as of December 31, 2017, and the changes in financial position and 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 Budgetary Comparison Schedules on page 14 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 the 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bernice Volunteer Fire Department, Inc's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplemental information 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, accompanying supplemental information 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 February 16, 2018 on our consideration of the Fire Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Fire Department's internal control over financial reporting and compliance.

Marcus, Robinson & Hassell

MARCUS, ROBINSON AND HASSELL

Monroe, Louisiana

February 16, 2018

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS

Cash & Cash Equivalents	\$132,178
Investments	146,596
Capital Assets (net of accumulated depreciation)	<u>343,885</u>

TOTAL ASSETS \$622,659

LIABILITIES

Accounts Payable	<u>392</u>
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TOTAL LIABILITIES 392

NET POSITION

Investments in Capital Assets, net of related debt	343,885
Unrestricted	<u>278,382</u>

TOTAL NET POSITION \$622,267

See Notes to Financial Statements

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u>
		<u>Operating</u>	<u>Capital</u>	<u>Revenues and</u>
<u>Functions/Programs:</u>		<u>Grants</u>	<u>Grants</u>	<u>Changes in</u>
				<u>Net Assets</u>
Governmental Activities				
Public Safety	\$62,677	\$4,800	\$123,534	\$(57,877)
General Administrative	<u>3,050</u>	<u>0</u>	<u>0</u>	<u>(3,050)</u>
<u>Total Program Expenses</u>	<u>\$65,727</u>	<u>\$4,800</u>	<u>\$123,534</u>	<u>(60,927)</u>
<u>General Revenues</u>				
Fire Insurance Tax				12,049
Bernice Area Fire Protection				22,500
Donations				200
Interest				123
Dividends				5,264
Net Increase in Fair Value of Investments				<u>2,932</u>
<u>Total General Revenues</u>				<u>43,068</u>
<u>Change in Net Position</u>				(17,859)
<u>Net Position, Beginning of Year</u>				<u>640,126</u>
<u>Net Position, Ending of Year</u>				<u>\$622,267</u>

See Notes to Financial Statements

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS (FFS)

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2017

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$132,178
Investments	<u>146,596</u>
<u>Total Assets</u>	<u>\$278,774</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts Payable	\$ 392
<u>Total Liabilities</u>	392
Fund Balance:	
Unassigned	<u>278,382</u>
<u>Total Fund Balance</u>	<u>278,382</u>
<u>Total Liabilities and Fund Balance</u>	<u>\$278,774</u>

See Notes to Financial Statements

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

Total Fund Balance - Governmental Funds	\$278,382
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental Funds.

Cost of Capital Assets	639,400	
Less: Accumulated Depreciation	<u>295,515</u>	<u>343,885</u>
Net Position		<u>\$622,267</u>

See Notes to Financial Statements

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General Fund</u>
<u>Revenues</u>	
Local Grant - Town of Bernice	\$ 4,800
Fire Insurance Tax	12,049
Bernice Area Fire Protection	22,500
Donations	200
Interest	124
Dividends	5,264
Net Increase in Fair Value of Investments	<u>2,932</u>
<u>Total Revenues</u>	<u>47,869</u>
<u>Expenditures</u>	
Public Safety	23,525
General Administrative	3,050
Capital Outlay	<u>13,798</u>
<u>Total Expenditures</u>	<u>40,373</u>
<u>Excess of Expenditures Over Revenues</u>	7,496
<u>Fund Balance - Beginning</u>	<u>270,886</u>
<u>Fund Balance - Ending</u>	<u>\$278,382</u>

See Notes to Financial Statements

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balance - Governmental Funds	\$ 7,496
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Amounts reported for governmental activities in statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.

Capital Outlay	13,798
Less: Depreciation reported in Statement of Activities	<u>(39,153)</u>

Change in Net Position of Governmental Activities	<u>\$(17,859)</u>
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See Notes to Financial Statements

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

INTRODUCTION

The Bernice Volunteer Fire Department, Inc. Was incorporated on February 19, 1990, under the provisions of R.S. 1950, Title 12, Chapter 2. The Bernice Volunteer Fire Department, Inc. operates as a non-profit corporation. The Bernice Volunteer Fire Department, Inc. provides the following services as authorized by its chapter: (1) to prevent and suppress fire and prevent the conflagration of property, (2) to conduct educational and informational programs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification 2100, these financial statements include all funds and account groups which are controlled by the Bernice Volunteer Fire Department.

C. FUND ACCOUNTING

The Fire Department uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

The General Fund of the Fire Department is classified as a governmental fund and is the general operating fund of the Fire Department and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

D. MEASUREMENT FOCUS; BASIS OF ACCOUNTING

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements represent increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. BUDGET PRACTICES

The Fire Department prepares and adopts, as a part of its application for a federal grant, a budget for their operations. The budget is established and controlled by the Fire Department 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 Fire Department. The Fire Department presents necessary budget amendments for approval to the grantor agency during the year when, in its judgment, actual operations are differing materially from those anticipated in the original budget.

F. CASH

For the purpose of these financial statements, the Bernice Volunteer Fire Department considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

Under state law, the Fire Department may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Fire Department may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. CAPITAL ASSETS

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives. The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	40 Years
Equipment	7-10 Years
Trucks & Vehicles	5-15 Years

I. COMPENSATED ABSENCES, POSTRETIREMENT BENEFITS, AND PENSION PLAN

The Fire Department has no employees; therefore, the Fire Department has not established leave policies, does not pay postretirement benefits, and does not contribute to a pension plan.

J. EQUITY CLASSIFICATIONS - GOVERNMENT-WIDE STATEMENTS

Net Position represent the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Fire Department reports three categories of net position, as follows:

- Net Investment in capital assets - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Restricted net position - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position - consists of all other net position that does not meet the definition of the above two components and is available for general use by the School Board.

When an expense is incurred for 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 Fire Department's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

K. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

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 Fire Department'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 Fire Department's highest level of decision making authority.

Assigned - represents balance 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.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Fire Department's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Fire Department's offices reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

NOTE 2 - CASH AND CASH EQUIVALENTS

For the purpose of these financial statements, the sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

Demand Deposits	<u>\$132,768</u>
	<u>\$132,768</u>

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - CASH AND CASH EQUIVALENTS - CONTINUED

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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2017, the fire department has \$133,684 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the fire department that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2017 is as follows:

	Balance <u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Ending</u>
Land	\$ 9,048	\$ 0	\$ 0	\$ 9,048
Buildings	88,414	0	0	88,414
Equipment	429,299	6,056	0	435,355
Trucks & Vehicles	96,934	6,700	0	103,634
Office Equipment	<u>1,907</u>	<u>1,042</u>	<u>0</u>	<u>2,949</u>
<u>Total</u>	625,602	13,798		639,400
Less: Accumulated Depreciation				
Buildings	24,920	2,426	0	27,346
Equipment	158,344	30,065	0	188,409
Trucks & Vehicles	71,824	6,552	0	78,376
Office Equipment	<u>1,274</u>	<u>110</u>	<u>0</u>	<u>1,384</u>
<u>Total</u>	<u>256,362</u>	<u>39,153</u>	<u>0</u>	<u>295,515</u>
<u>Capital Assets, Net</u>	<u>\$369,240</u>	<u>\$25,355</u>	<u>\$ 0</u>	<u>\$343,885</u>

NOTE 4 - COMPENSATION - DIRECTORS

There was no compensation paid to any directors during the year.

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - INVESTMENTS

Value at the time of donation and change in fair value of investments is as follows:

	Value At <u>Donation</u>	Fair Value <u>12-31-16</u>	Fair Value <u>12-31-17</u>	Change in Fair Value <u>Value</u>
2200 Shares Pfizer	\$10,863	\$ 71,456	\$ 79,684	\$ 8,228
800 Shares Exxon/Mobile	<u>8,775</u>	<u>72,208</u>	<u>66,912</u>	<u>(5,296)</u>
	<u>\$19,638</u>	<u>\$143,664</u>	<u>\$146,596</u>	<u>\$ 2,932</u>

NOTE 6 - LITIGATION

The Fire Department's legal council has no knowledge of pending litigation, unasserted claims or assessments against the Fire Department as of December 31, 2017.

NOTE 7 - SUBSEQUENT EVENTS

The Fire Department's management has evaluated subsequent events through the date the financial statements were available to be issued, February 16, 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.

REQUIRED SUPPLEMENTAL INFORMATION

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUND GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Local Grant - Town of Bernice	\$ 4,800	\$ 4,800	\$ 4,800	\$ 0
Fire Insurance Tax	11,500	12,048	12,049	1
Bernice Area Fire Protection	10,000	10,000	22,500	12,500
Donations	0	0	200	200
Interest	80	100	124	24
Dividends	5,000	5,200	5,264	64
Net Increase in Fair Value of Investments	<u>0</u>	<u>0</u>	<u>2,932</u>	<u>2,932</u>
<u>Total Revenues</u>	<u>31,380</u>	<u>32,148</u>	<u>47,869</u>	<u>15,721</u>
<u>Expenditures</u>				
Public Safety	30,500	22,729	23,525	(796)
General Administrative	2,600	2,801	3,050	(249)
Capital Outlay	<u>12,500</u>	<u>12,500</u>	<u>13,798</u>	<u>(1,298)</u>
<u>Total Expenditures</u>	<u>45,600</u>	<u>38,030</u>	<u>40,373</u>	<u>(2,343)</u>
<u>Excess of Expenditures Over Revenues</u>	(14,220)	(5,882)	7,496	13,378
<u>Fund Balance, Beginning</u>	<u>270,886</u>	<u>270,886</u>	<u>270,886</u>	<u>0</u>
<u>Fund Balance, Ending</u>	<u>\$256,666</u>	<u>\$265,004</u>	<u>\$278,382</u>	<u>\$13,378</u>

SUPPLEMENTAL INFORMATION

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule of Compensation, Benefits and other Payments to Agency Head

Agency Head - Danny Murphy - Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 0
Benefits	0
Per Diem	0
Reimbursements - Supplies	391
Other	<u>0</u>
Total	<u>\$391</u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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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

To the Board of Directors
Bernice Volunteer Fire Department, Inc.
Bernice, Louisiana

We 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 of Bernice Volunteer Fire Department, Inc., as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Bernice Volunteer Fire Department Inc.'s basic financial statements and have issued our report thereon dated February 16, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fire Department'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 Fire Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire Department'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 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.

Our 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 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2017-1)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bernice Volunteer Fire Department's financial statements are free from 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 statements 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*.

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

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 results of that testing, and not to provide an opinion on the effectiveness of the Fire Department'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
Monroe, Louisiana
February 16, 2018

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

We have audited the financial statements of the governmental activities of the Bernice Volunteer Fire Department, Inc., as of and for the year ended December 31, 2017, which collectively comprise the basic financial statements and have issued our report thereon dated February 16, 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. Our audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.

Section I - Summary of the Auditor's Results

D. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiency Yes No

Compliance

Noncompliance Material to Financial Statements Yes No

Federal Awards

Not Applicable

Section II - Financial Statement Findings

Internal Control Over Financial Reporting 2017-01 - Expertise to Prepare Financial Statements and Related Footnote Disclosures

Management does not have sufficient capable expertise to prepare financial statements and related footnote disclosures.

Corrective Action Plan

No response is considered necessary.

Contact Person

Eddie Horton, Jr.

Anticipated Completion Date

N/A

BERNICE VOLUNTEER FIRE DEPARTMENT, INC.
BERNICE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Internal Control and Compliance Not Material to Financial Statements

<u>Findings</u>	<u>Response</u>
2016-1 - Management does not have sufficient capable expertise to prepare financial statements and related footnote disclosures.	Unresolved - See Finding 2017-1

Section II - Management Letter

No management letter was issued.