

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

**Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana**

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
DECEMBER 31, 2017**

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INDEPENDENT AUDITOR'S REPORT



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

To the Board of Commissioners
Northeast Bossier Parish Fire District No. 5
Plain Dealing, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of Northeast Bossier Parish Fire District No. 5, (the District) a component unit of the Bossier 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 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 an opinion 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 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, 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 opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Northeast Bossier Parish Fire District No. 5 as of December 31, 2017, and the 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 budgetary comparison information be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 supplemental 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 Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basis financial statements. The information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applies in the audit of the basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other procedures additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my reported dated June 26, 2018 on my consideration of Northeast Bossier Parish Fire District No. 5'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 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 internal control over financial reporting's or on compliance. That report is an intergral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeast Bossier Fire District No. 5's internal control over financial reporting and compliance.

Marsha O. Milligan

Certified Public Accountant
June 26, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
P.O. BOX 810
PLAIN DEALING, LOUISIANA 71064

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion of the Northeast Bossier Parish Fire District No. 5's annual financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District had total net position of \$3,027,088 at year end which represents an increase from the prior year of \$168,099.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the District - the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017**

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the District's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the District's financial position, which assists users in assessing the District's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid. The government wide financial statements include two statements:

- The *statement of net position* presents all of the District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues (such as uncollected property taxes) and some expenses that are reported in this statement will not result in cash flows until future years.

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- *Governmental funds financial statements.* The services provided by the District are financed through 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017**

Fund Financial Statements (continued)

These statements provide a detailed short-term view of the District's finances and assist in determining whether there will be adequate financial resources available to meet the current needs of the District.

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, users may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental financial statement.

The District has two governmental funds; both are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The District's two governmental funds are: the General Fund and the Capital Projects Fund.

FINANCIAL ANALYSIS OF THE ENTITY

Net Position

Net position may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$3,027,088 as of December 31, 2017.

The District's major assets are its fixed assets of \$1,218,740 representing its investments in capital assets such as land, buildings and improvements, equipment and furniture, less any related debt used to acquire those assets that is still outstanding. The District incurred new debt of \$500,000 to build a new fire station which is incomplete at year end and listed as construction in progress. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending. Revenues to repay any related debt will be provided through assessments on property located within the District.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017**

Net Position (Continued)

	Statement of Net Position	
	As of Year End	
	<u>Governmental Activities</u>	
	2017	2016
Current and other assets	\$ 2,330,134	\$ 1,566,819
Capital assets, net	1,218,740	1,313,874
Total Assets	<u>\$ 3,548,874</u>	<u>\$ 2,880,693</u>
Deferred outflows of resources	0	0
Other liabilities	\$ 21,786	\$ 21,704
Long-term liabilities	500,000	0
Total Liabilities	<u>521,786</u>	<u>21,704</u>
Deferred inflows of resources	0	0
Net position		
Investment in capital assets, net of related debt	1,218,740	1,313,874
Restricted	1,351,957	655,729
Unrestricted	456,391	889,386
Total Net Position	<u>3,027,088</u>	<u>2,858,989</u>
Total Liabilities and Net Position	<u>\$ 3,548,874</u>	<u>\$ 2,880,693</u>

Total net position of the District increased by \$168,099 from the previous fiscal year in Governmental Activities.

Changes in Net Position

	Statement of Activities	
	For the Year Ended	
	<u>Governmental Activities</u>	
	2017	2016
Revenues		
Charges for services	\$ 0	\$ 0
Capital grants and contributions	9,172	9,243
Ad Valorem taxes	616,972	611,624
Donations	0	500
Insurance Proceeds	13,780	0
Interest	5,204	2,631
Intergovernmental	8,485	7,923
Other revenues	5,879	2,141
Total revenue	<u>659,492</u>	<u>634,062</u>
Expenses		
General government	19,185	19,029
Public safety-fire protection	293,992	283,489
Interest	5,611	0
Loss on Capital Asset	15,739	0
Depreciation	156,866	164,802
Total expenses	<u>491,393</u>	<u>467,320</u>
Change in net position	<u>\$ 168,099</u>	<u>\$ 166,742</u>

The District's total revenues increased by \$25,430 from the previous fiscal year in Governmental Activities.

The total cost of all programs and services increased \$24,073 from the previous fiscal year in Governmental Activities.

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2017, totaled \$3,212,987 net of accumulated depreciation of \$1,994,247 leaving a book value of \$1,218,740. This investment in capital assets includes fire stations (land, building and improvements), fire trucks, firefighting and rescue equipment, office equipment and furniture.

Actual costs to purchase capital assets were \$77,471 for the year. Depreciation charges for the year totaled \$156,866.

	Capital Assets at Year End (Net of Depreciation)	
	Governmental Activities	
	2017	2016
Land	\$ 25,700	\$ 25,700
Buildings and other improvements	212,585	191,740
Equipment	980,455	1,096,434
Total	<u>\$ 1,218,740</u>	<u>\$ 1,313,874</u>

The following is the additions and retirements for the District as of December 31, 2017:

This year's major additions included:

	Governmental Activities
Land	\$ 0
Buildings	33,800
Equipment	43,671
Total	<u>\$ 77,471</u>

This year's major retirements included:

	Governmental Activities
Land	\$ 0
Buildings	0
Equipment	15,739
Total	<u>\$ 15,739</u>

**NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2017**

Debt Administration

The District did not enter into a capital lease agreement in 2017.

The District incurred new long-term debt of \$500,000 in 2017. The District reduced its debt by \$0. At December 31, 2017, total debt was \$500,000.

GENERAL FUND BUDGET

The District adopted a budget for its General Fund for the year ended December 31, 2017. There was one amendment to the original budget. The District's budgetary comparison is presented as required supplementary information as shown in the table of contents.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Ad valorem taxes
- 2) Intergovernmental revenues (state and local grants)

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Northeast Bossier Parish Fire District No. 5's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Danielle Vaughan, Secretary/Treasurer by telephone at (318) 326-4044 or P.O. Box 810 Plain Dealing, Louisiana 71064.

FINANCIAL STATEMENTS

EXHIBIT A

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF NET POSITION
 December 31, 2017

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 1,555,160
Investments	144,807
Accounts receivable	609,157
Construction in Progress	21,010
Capital assets, net	<u>1,218,740</u>
Total Assets	<u>3,548,874</u>
Deferred outflows of resources	<u>0</u>
LIABILITIES	
Current Liabilities	
Accounts payable	19,185
Payroll payable	2,601
Long-term liabilities	
Due within one year	78,000
Due in more than one year	<u>422,000</u>
Total Liabilities	<u>521,786</u>
Deferred inflows of resources	<u>0</u>
NET POSITION	
Net investment in capital assets	1,218,740
Restricted	1,351,957
Unrestricted	<u>456,391</u>
Total Net Position	<u>\$ 3,027,088</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities					
General government	\$ 19,185	\$ 0	\$ 0	\$ 0	\$ (19,185)
Public Safety-Fire Protection	293,992	0	0	9,172	(284,820)
Interest	5,611	0	0	0	(5,611)
Loss on Capital Asset	15,739	0	0	0	(15,739)
Depreciation, net	<u>156,866</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(156,866)</u>
Total Governmental Activities	<u>\$ 491,393</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,172</u>	<u>\$ (482,221)</u>
General Revenues					
Ad Valorem Taxes					616,972
Insurance Proceeds					13,780
Misc Income					1,554
Interest					5,204
Intergovernmental					8,485
Other Revenues					4,325
Gain on Sale of Capital Asset					<u>0</u>
Total General Revenues					<u>650,320</u>
Change in Net Position					168,099
Net Position, Beginning of year					<u>2,858,989</u>
Net Position, End of year					<u>\$ 3,027,088</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2017

	General Fund	Capital Projects Fund	Total
Assets			
Cash	\$ 348,010	\$ 1,207,150	\$ 1,555,160
Investments	0	144,807	144,807
Accounts Receivable	609,157	0	609,157
Total Assets	\$ 957,167	\$ 1,351,957	\$ 2,309,124
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 19,185	\$ 0	\$ 19,185
Payroll payable	2,601	0	2,601
Unearned revenue	10,144	0	10,144
Total Liabilities	31,930	0	31,930
Fund Balances			
Assigned	0	1,351,957	1,351,957
Unassigned	925,237	0	925,237
Total Fund Balance	925,237	1,351,957	2,277,194
Total Liabilities and Fund Balances	\$ 957,167	\$ 1,351,957	\$ 2,309,124

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 December 31, 2017

Total Fund Balances for Governmental Funds (Exhibit C) \$ 2,277,194

Total Net Position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	25,700	
Buildings and other improvements, net of \$141,879 in accumulated depreciation		212,585	
Equipment, furniture, and fixtures, net of \$1,852,368 in accumulated depreciation		980,455	
Construction in Progress		21,010	
Total Capital Assets			1,239,750

Other long-term assets are not available to pay for current-period expenditures and therefore are unearned in the government funds: 10,144

Long-term liabilities are not due and payable in the current period from current financial resources, and therefore are not reported in the government funds:

Long-term debt (500,000)

Total Net Position of Governmental Activities (Exhibit A) \$ 3,027,088

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT E

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>TOTAL</u>
REVENUES			
Ad Valorem Taxes	\$ 617,291	\$ 0	\$ 617,291
Grant Revenue -FEMA	0	0	0
Grant Revenue	0	9,172	9,172
Insurance Proceeds	1,521	12,259	13,780
Donations	0	0	0
Interest	303	4,901	5,204
Intergovernmental	8,485	0	8,485
Other Revenues	<u>4,325</u>	<u>0</u>	<u>4,325</u>
Total revenues	<u>631,925</u>	<u>26,332</u>	<u>658,257</u>
EXPENDITURES			
Current:			
General government	19,185	0	19,185
Public Safety	273,787	20,205	293,992
Capital Outlays	3,267	95,214	98,481
Debt Service:			
Interest	0	5,611	5,611
Principal retirement	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>296,239</u>	<u>121,030</u>	<u>417,269</u>
Excess (deficiency) of revenues over expenditures	335,686	(94,698)	240,988
Other financing sources (uses)			
Debt Service Proceeds	0	500,000	500,000
Disposition of asset	0	0	0
Misc Income	1,554	0	1,554
Transfers In (Out)	<u>(290,926)</u>	<u>290,926</u>	<u>0</u>
Total other financing sources (uses)	<u>(289,372)</u>	<u>790,926</u>	<u>501,554</u>
Change in Fund Balances	46,314	696,228	742,542
Prior Year Adjustment	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>878,923</u>	<u>655,729</u>	<u>1,534,652</u>
FUND BALANCE AT END OF YEAR	<u>\$ 925,237</u>	<u>\$ 1,351,957</u>	<u>\$ 2,277,194</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ 742,542
The change in Net Position reported for governmental activities in the statement of activities is different because:	
Construction in progress is reported in the Statement of Net Position, however is not reported in the Fund Balance. Construction in progress additions for 2017 is \$21,010. Construction in progress includes the incomplete building on new station.	21,010
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$61,732) exceeds depreciation (\$156,866) in the current period.	(95,134)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net effect of prior year and current year deferred revenues.	(319)
The net effect of various transactions involving capital assets (sales, trade-ins, donated infrastructure, etc.) is to increase net assets.	0
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current resources of governmental funds. Neither transactions, however, has any effect on net assets. Net result of debt activity.	<u>(500,000)</u>
Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 168,099</u>

See accompanying notes and accountant's report.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

The Northeast Bossier Parish Fire District No. 5 ("the District") was created by the Bossier Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on November 10, 1987 by ordinance number 2096. The District is governed by a five member board of commissioners appointed by the Bossier Parish Police Jury, the Town of Plain Dealing, and by the commissioners themselves. The Board of Commissioners received no compensation during 2017. The District constitutes a political subdivision of the State of Louisiana and is a component unit of the Bossier Parish Police Jury. The purpose of the District is to maintain and operate fire stations and equipment and to provide fire protection and emergency services to the residents of the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for the state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Northeast Bossier Parish Fire District No. 5 is discussed below.

B. Reporting Entity

The District is a component unit of the Bossier Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

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. Basic Financial Statements-Government-Wide Statements

The Northeast Bossier Parish Fire District No. 5's basic financial statements include both government-wide (reporting the funds maintained by the District as a whole) and the fund financial statements (reporting the District's major funds). Both the government-wide and the fund financial statements categorize primary activities as either governmental or business type. The District's general fund and capital projects fund are classified as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The District's net position are reported in three parts-invested in capital assets (net of related debt), restricted for capital projects, and unrestricted net position.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statements of Activities reports both the gross and the net cost of each of the District's functions. The functions are supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. The District had no program revenues. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from current year's activities.

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Northeast Bossier Parish Fire District No. 5:

Governmental Funds- the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. General funds are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund.
- b. The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital assets.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund and capital projects fund were determined to be major funds in 2017.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Accounting- In accordance with Governmental Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Position and a Statement of Activities for the District as a whole. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity - Interfund receivables and payables are eliminated in the Statement of Net Position.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Application of FASB Statements and Interpretations - Reporting on governmental type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets - Tangible or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, and buildings are recorded at their historical costs and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position.

Program Revenues - The Statement of Activities presents two categories of program revenues - (1) charges for services; and (2) operating grants and contributions.

Charges for services are those revenues arising from exchange or exchange like transactions with external parties that purchase, use or directly benefit from the program's goods, services or privileges. Service charges (structure fees) are reported as charges for services.

Operating grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for operating purposes of a program. State revenue sharing and fire insurance rebates are reported as operating grants and contributions.

Restricted Net Position- Restricted net position are those for which a constraint has been imposed either externally or by law. Resources restricted for a specific purpose are exhausted before unrestricted net position are used.

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements - The Governmental financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Principal revenue sources considered as susceptible to accrual include property taxes, service fees, and interest on investments. Other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgeting and Budgetary Control

The District prepares a budget for the General Fund and uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the board of commissioners prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by the board of commissioners by voting at a meeting.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board.
5. The budget is adopted on a cash basis. There were amendments to the 2017 budget.

Cash and Cash Equivalents

Cash includes amounts in petty cash, demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District's investment policy. If the original maturities of time deposits exceed 90 days, they are classified as investments. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported as investment earnings.

Use of Estimates

The preparation of financial statements generally requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District's assets are recorded at historical cost. Capital assets are recorded as expenditures in the governmental fund financial statements. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is charged to expense as incurred. Depreciation expense is recorded in the government-wide financial statements using the straight-line method over the useful lives of the assets. All assets of the District are reported in the accompanying financial statements.

Compensated Absences

There are no accumulated and vested benefits relating to vacation and sick leave as the District has only part-time employees.

Long-term Obligations

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability reported on the Statement of Net Position. In the fund financial statements, debt principal payments of the governmental funds are recognized as expenditures when paid.

Receivables

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectible accounts.

Governmental fund type receivables consist primarily of amounts due for property taxes and charges for services.

Unearned Revenue

Unearned revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Available is defined as due (or past due) at December 31, and collected within 60 days thereafter to pay obligations due at December 31.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Net Position/Fund Balances

In the Statement of Net Position, the differences between a government's assets and liabilities are recorded as net position. The three components of net position are as follows:

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances (Continued)

Net Investment in Capital Assets - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position - This category records net position that are restricted by external sources such as banks or by law are reported separately as restricted net position.

Unrestricted Net Position - This category represents net position not appropriable for expenditures or legally separated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Nonspendable - The nonspendable fund balances for governmental funds represent the amount that are not in a spendable form or are required to be maintained intact.

Restricted - The restricted fund balances for governmental funds represent the amount that has been constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

Committed - The committed fund balances for governmental funds represent the amount constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned- The assigned fund balances for governmental funds represent the amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned- The unassigned fund balances for governmental funds represent the amount that is available for any purpose; these amounts are reported only in the general fund.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2017
 (CONTINUED)

NOTE 2 CASH AND CASH EQUIVALENTS

At December 31, 2017, the District had cash and cash equivalents (book balances) totaling \$808,946 as follows:

	<u>Bank Balances</u>	<u>Book Balances</u>
Demand deposits	\$ 1,561,701	\$ 1,555,160

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank that is mutually acceptable to both parties. At December 31, 2017, the District has \$1,561,701 in deposits (collected bank balances) that were fully secured from risk by federal deposit insurance.

NOTE 3 INVESTMENTS

At December 31, 2017, the District had investments totaling \$144,807 consisting of certificates of deposit with initial maturities greater than 90 days. The certificates of deposits are carried at cost, which approximates market. The investments were fully secured from risk by federal deposit insurance.

NOTE 4 AD VALOREM TAXES

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Operating	24.85	22.5

NOTE 5 ACCOUNTS RECEIVABLE

General fund receivables as of December 31, 2017 consisted of ad valorem taxes receivable of \$609,157.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
PLAIN DEALING, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(CONTINUED)

NOTE 6 CAPITAL ASSETS

A summary of the District's capital assets at December 31, 2017 follows:

	Balance Dec. 31, 2016	Additions	Retirements	Balance Dec. 31, 2017
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 25,700	\$ -	\$ -	\$ 25,700
Total Capital Assets, not being depreciated	<u>25,700</u>	<u>-</u>	<u>-</u>	<u>25,700</u>
Capital Assets, being depreciated				
Buildings and other improvements	320,664	33,800	-	354,464
Less accumulated depreciation	(128,924)	(12,952)	-	(141,876)
Total Buildings and Building Improvements	<u>191,740</u>	<u>20,848</u>	<u>-</u>	<u>212,588</u>
Equipment, furniture and fixtures	2,804,891	43,671	(15,739)	2,832,823
Less accumulated depreciation	(1,708,457)	(154,059)	10,145	(1,852,371)
Total Equipment, Furniture and Fixtures	<u>1,096,434</u>	<u>(110,388)</u>	<u>(5,594)</u>	<u>980,452</u>
Total Capital Assets, being depreciated	<u>1,288,174</u>	<u>(89,540)</u>	<u>(5,594)</u>	<u>1,193,040</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 1,313,874</u>	<u>(89,540)</u>	<u>(5,594)</u>	<u>\$ 1,218,740</u>

Depreciation expense for the year ended December 31, 2017, was \$156,866.

NOTE 7 PENSION PLAN

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

NOTE 8 RISK MANAGEMENT

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

NOTE 9 LONG-TERM DEBT

Changes in long-term debt are as follows:

	Balance 01/01/17	Proceeds	(Principal) (Payments)	Balance 12/31/17
Limited Tax Certificate of Indebtedness, Series 2017-LPFA	\$ -	\$ 125,000	\$ -	\$ 125,000
Limited Tax Certificate of Indebtedness, Series 2017-Citizens National Bank	-	375,000	-	375,000
Totals	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>

Interest costs incurred and charged to expense for the year ended December 31, 2017 was \$5,611.

NOTE 9 LONG-TERM DEBT (CONTINUED)

On April 7, 2017 the District issued \$500,000 of Limited Tax Certificate of Indebtedness, Series 2017 for acquiring, constructing and improving fire protection facilities and equipment. Of the debt acquired \$375,000 of the Certificates were purchased by Citizens National Bank at the interest rate of 3.150% and the remaining \$125,000 of the Certificates were purchased by the Louisiana Public Facilities Authority at the interest rate of 1.575%.

The annual requirements to maturity for the limited tax certificate of indebtedness as of December 31, 2017 are as follows:

<u>Year Ending December 31,</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 90,710	\$ 78,000	\$ 12,710
2019	90,545	80,000	10,545
2020	90,324	82,000	8,324
2021	90,040	84,000	6,040
2022	90,678	87,000	3,678
2023	90,236	89,000	1,236
	<u>\$ 542,533</u>	<u>\$ 500,000</u>	<u>\$ 42,533</u>

NOTE 10 SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 26, 2018, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 BUDGETARY/GAAP REPORTING RECONCILIATION
 DECEMBER 31, 2017

	ACTUAL ON GAAP BASIS	ADJUSTMENT TO BUDGETARY BASIS	ACTUAL ON BUDGETARY BASIS
<u>REVENUES</u>			
Ad Valorem Tax	\$ 617,291	\$ (15,079)	\$ 602,212
Grant Revenue	9,172	0	9,172
Insurance Proceeds	13,780	0	13,780
Donations	0	0	0
Interest	5,204	0	5,204
Intergovernmental	8,485	0	8,485
Other Revenues	5,879	0	5,879
	<hr/>	<hr/>	<hr/>
Total revenues	659,811	(15,079)	644,732
<u>EXPENDITURES</u>			
General Government	19,185	0	19,185
Public Safety	293,992	0	293,992
Interest	5,611	0	5,611
Capital Outlay	98,481	0	98,481
	<hr/>	<hr/>	<hr/>
Total Expenditures	417,269	0	417,269
Excess/ (Deficiency) of Revenues Over Expenditures	242,542	(15,079)	227,463
Other Financing Sources/(Uses)	500,000	0	0
	<hr/>	<hr/>	<hr/>
Excess/ (Deficiency) of Revenues Over Expenditures Prior Year Adjustment	742,542	(15,079)	227,463
Fund Balance Beginning of Year	<hr/> 1,534,654		
Fund Balance End of Year	\$ <u><u>2,277,194</u></u>		

See accompanying notes to the financial statements.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 PLAIN DEALING, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS- BUDGET AND ACTUAL (CASH BASIS)-GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY) BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Ad Valorem Tax	\$ 641,670	\$ 590,000	\$ 602,212	\$ 12,212
Grant Revenue	0	9,200	9,172	(28)
Insurance Proceeds	0	17,000	13,780	(3,220)
Donations	0	0	0	0
Interest	0	4,500	5,204	704
Intergovernmental	0	8,500	8,485	(15)
Other Revenues	0	1,400	5,879	4,479
Total revenues	641,670	630,600	644,732	14,132
EXPENDITURES				
General Government	20,225	20,225	19,185	1,040
Public Safety	351,445	347,200	293,992	53,208
Interest	20,000	20,000	5,611	14,389
Capital Outlay	250,000	243,175	98,481	144,694
Total Expenditures	641,670	630,600	417,269	213,331
Excess/ (Deficiency) of Revenues Over Expenditures	(0)	0	227,463	227,463
Other Financing Sources/(Uses)	0	0	0	0
Excess/ (Deficiency) of Revenues Over Expenditures	(0)	0	227,463	227,463
Fund Balance				
Beginning of Year	1,534,654	1,534,654	1,534,654	0
Fund Balance				
End of Year	\$ 1,534,654	\$ 1,534,654	\$ 1,762,117	\$ 227,463

See accompanying notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD
 FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Purpose</u>	Fire Chief, Jason F. Vaughan Jan. 1-Dec. 31
Salary	\$ 12,322
Payroll taxes	943
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Special meals	0
	0
Total Compensation, Benefits and Other Payments	\$ 13,265

See accompanying notes to the financial statements.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

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 Commissioners
Northeast Bossier Parish Fire District No. 5
Plain Dealing, 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 governmental activities of Northeast Bossier Parish Fire District No. 5, a component unit of the Bossier Parish Police Jury as of December 31, 2017 and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting 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 District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation 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 District's financial statements will not be prevented, or detected 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 over financial reporting that might be material weaknesses or significant deficiencies. 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.

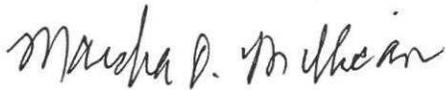
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Bossier Parish Fire District No. 5' s

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 no instance 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant
June 26, 2018

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5
Corrective Action Taken on Prior Year Findings

Year Ended December 31, 2017

There were no findings for the year ended December 31, 2016.

NORTHEAST BOSSIER PARISH FIRE DISTRICT NO. 5

Schedule of Findings

Year Ended December 31, 2017

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the Town were disclosed during the audit.

There were no findings for the year ended December 31, 2017.



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES

To the Board of Commissioners
Northeast Bossier Parish Fire District No. 5

I have performed the procedures enumerated below, which were specified and agreed to by the Board of Commissioners of Northeast Bossier Parish Fire District No. 5 (the District) to assist the District in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal year ended December 31, 2017. I am required to perform each procedure and report the results, including any exceptions. The District is responsible for internal controls and compliance with laws and regulations relative to the SAUP and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for their purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. I obtained the entity's written policies and procedures and determined whether those written policies and procedures address each of the following financial/business functions (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring and amending the budget.
 - ***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.
 - ***Disbursements***, including processing, reviewing and approving.
 - ***Receipts***, including receiving, recording, and preparing deposits.
 - ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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.
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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. Note: Ethics requirements are not applicable to nonprofits.
- **Debt Service**, including (1) debt insurance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - a) Procedures Results - The entity has no written policies and procedures regarding the above topics.
 - b) Management's Response - We will amend policies and procedures to incorporate the above topics.

Board (or Finance Committee, if applicable)

2. I obtained and reviewed the board/committee minutes for the fiscal period, and:

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

If the budget-to actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- Determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least meeting during the fiscal period.
 - a) Procedures Results - I noted no exceptions.

Bank Reconciliations

3. I obtained a listing of the District's bank accounts from management and management's representation that the listing is complete.
 4. Using the listing provided by management, I selected 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 five accounts). For each of the bank accounts selected, I obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
 - Bank reconciliations have been prepared.
 - 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
 - If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.
- a) Procedures Results - I noted no exceptions.

Collections

5. I obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, I selected all of the entity's cash collection locations (if five less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each collection location selected:
 - I obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transactions, or reconciling the related bank account(report if there are compensating controls performed by an outside party), and (3) not to share the same cash register or drawer with another employee.
 - I obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined 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 location selected.
 - I selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

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

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

7. I obtained written documentation (e.g. policy manual, written procedure) and determined 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.

a) Procedure Results - I noted no exceptions.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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

9. Using the disbursement population from #8 above, I randomly selected 30 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 of payments. I obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

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

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

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

12. I inquired of management and observed 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, I reviewed entity documentation (electronic system control documentation) and noted whether the persons with signatory authority have signatory authority have system access to print checks.

13. If a signature stamp or signature machine is used, I inquired 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. I inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

a) Procedure Results - I noted no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. I obtained 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. I obtained management's representation that the listing is complete.

15. Using the listing prepared by management, I randomly selected 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.

I obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. I selected 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:

- Determined 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g. mayor of a Lawrason Act municipality); these instances should not be reported.]
- Determined whether finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, I obtained 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).

- For each transaction, I determined whether the transaction is supported by:

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

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

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

- For each transaction, I compared 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.
- For each transaction, I compared the entity's documentation of the business/public purpose to the requirement 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.

a) Procedure Results - I noted no exceptions.

Travel and Expense Reimbursement

17. I obtained 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. I obtained management's representation that the listing or general ledger is complete.

18. I obtained the entity's written policies related to travel and expense reimbursements. I compared 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.

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

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

An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

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

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

- I compared 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.
- I determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a) Procedure Results - I noted no exceptions.

Contracts

20. I obtained a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. I obtained management's representation that the listing or general ledger is complete.
21. Using the listing above, I selected 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). I obtained the related contracts and paid invoices and:
- Determined whether is a formal/written contract that supports the services arrangement and the amount paid.
 - I compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. I noted whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - 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).
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - I determined 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.
 - I selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and noted whether the invoice and related payment complied with the terms and conditions of the contract.
 - I obtained/reviewed contract documentation and board minutes and determined whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).
 - a) Procedure Results - I noted no exceptions.

Payroll and Personnel

22. I obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. I randomly selected five employees/officials, obtained their personnel files, and:
- a) Reviewed 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.
 - b) Reviewed 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.
23. I obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within the pay period, I randomly selected 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) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.]
 - b) Determined whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Determined 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.
24. I obtained from management a list of those employees/officials that terminated during the fiscal period and managements representation that the list is complete. If applicable, I selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. I noted whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. I obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. I determined whether the employee and employer portions of the payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.
- a) Procedure Results - I noted no exceptions.

Ethics (excluding nonprofits)

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

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

- a) Procedure Results - I noted that all employees did not receive ethics training for the year ended December 31, 2017.
- b) Management's Response - Ethics training was completed subsequent to year end.

Debt Service (excluding nonprofits)

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

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

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

- a) Procedures Results - I noted no exceptions.

Other

31. I inquired of management whether the entity had any misappropriations of public funds or assets. If so, I obtained/reviewed supporting documentation and noted whether the entity had reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

32. I observed 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.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

- a) Procedures Results - I noted one exception: the notice required by R.S.24:523.1 was not posted on the premises nor on the website.
- b) Management's Response - We have subsequently posted the above notice on the premises and on the website.

I was not engaged and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the District and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.

A handwritten signature in cursive script that reads "Manda P. Milliean".

Certified Public Accountant

June 26, 2018