

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

Annual Financial Statements
with Independent Auditor's Report

As of and For the Year Ended
December 31, 2018
with Supplemental Information Schedules

KENNETH D. FOLDEN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Alayna C. Huckaby, CPA

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

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

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

Independent Auditor's Report

North Bienville Fire Protection District
Arcadia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Bienville Fire Protection District, a component unit of Bienville Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the North Bienville Fire Protection District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the North Bienville Fire Protection District, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the 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 the 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 North Bienville Fire Protection District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2019 on our consideration of the North Bienville Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bienville Fire Protection District's internal control over financial reporting and compliance.

Kenneth D. Felden & Co., CPAs

Jonesboro, Louisiana
June 28, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

North Bienville Fire Protection District
Arcadia, Louisiana

Statement of Net Position
As of December 31, 2018

	Governmental Activities
Assets	
Cash and equivalents	\$ 1,181,920
Investments	405,181
Accounts receivable	685,169
Capital assets (net of accumulated depreciation)	<u>1,207,681</u>
Total Assets	<u>3,479,951</u>
Liabilities	
Current Liabilities:	
Accounts payable	22,023
Payroll liabilities	<u>3,181</u>
Total Liabilities	<u>25,204</u>
Net Position	
Net investment in capital assets	1,207,681
Unrestricted	<u>2,247,065</u>
Total Net Position	<u><u>\$ 3,454,746</u></u>

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

North Bienville Fire Protection District
Arcadia, Louisiana

Statement of Activities
For the Year Ended December 31, 2018

Expenses	Major Funds			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities

Functions/Programs

Primary government

Governmental activities

Fire	\$ 578,888	\$ 10	\$ -	\$ -	\$ (578,878)
Total governmental activities	<u>\$ 578,888</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (578,878)</u>

General Revenues

Taxes:

Property taxes, levied for general purposes	623,413
Intergovernmental	12,079
Investment earnings	20,655
Gain (loss) on investments	(4,344)
Total general revenues and transfers	<u>651,803</u>
Change in net position	72,925
Net position - December 31, 2017	<u>3,381,822</u>
Net position - December 31, 2018	<u>\$ 3,454,747</u>

FUND FINANCIAL STATEMENTS

North Bienville Fire Protection District
Arcadia, Louisiana

Balance Sheet - Governmental Funds
As of December 31, 2018

	Governmental Funds
Assets	
Cash and equivalents	\$ 1,181,920
Investments	405,181
Accounts receivable	685,169
Total Assets	<u>\$ 2,272,270</u>
Liabilities & Fund Balances	
Liabilities:	
Accounts payable	\$ 22,023
Payroll liabilities	3,181
Total Liabilities	<u>25,204</u>
Fund balances:	
Unassigned, reported in:	
General revenue fund	2,247,065
Total Fund Balances	<u>2,247,065</u>
Total Liabilities and Fund Balances	<u>\$ 2,272,269</u>

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

North Bienville Fire Protection District
Arcadia, Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of December 31, 2018

Total Fund Balances at December 31, 2018 - Governmental Funds (Statement C) \$	2,247,065
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Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.	<u>1,207,681</u>
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Net Position at December 31, 2018	<u><u>\$ 3,454,746</u></u>
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North Bienville Fire Protection District
Arcadia, Louisiana

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

	Governmental Funds
Revenues	
Taxes:	
Ad valorem tax	\$ 623,413
Intergovernmental	12,079
Charges for services	10
Total revenues	<u>635,502</u>
Expenditures	
Current:	
Public safety	
Personnel services	135,207
Supplies	21,119
Utilities	15,019
Repairs and maintenance	36,349
Contractual services	30,205
Miscellaneous	3,320
Insurance	40,138
Office	4,739
Training, education, and travel	526
Capital outlay	485,419
Total expenditures	<u>772,041</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(136,539)</u>
Other financing sources (uses)	
Interest earnings	20,655
Net increase (decrease) in investments	(4,344)
Notes payable interest expenditures	(166)
Total other financing sources (uses)	<u>16,145</u>
Net changes in fund balances	(120,394)
Fund balances - December 31, 2017	<u>2,367,460</u>
Fund balances - December 31, 2018	<u><u>\$ 2,247,066</u></u>

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

North Bienville Fire Protection District
Arcadia, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Funds Balances to the Statement of Activities
For the Year Ended December 31, 2018

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	(120,395)
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Depreciation		(292,100)
Capital outlay		<u>485,419</u>
Change in net position of governmental activities (Statement B)	\$	<u><u>72,924</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Bienville Parish Police Jury approves the organization's governing body, and the potential for the organization to provide specific benefits to or impose specific financial burdens on the police jury, the District was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Government-Wide Financial Statements

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

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

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

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

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

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

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

D. Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

Revenues

The governmental funds use the following practices in recording revenues:

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

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

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

Expenditures

The governmental funds use the following practices in recording expenditures:

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

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

Other Financing Sources (Uses)

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

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

E. Equity Classifications

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

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

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

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

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

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

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

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any nonspendable funds for the year ended December 31, 2018.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted funds for the year ended December 31, 2018.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. These amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board typically establishes commitments through the adoption and amendment of the budget. The District did not have any committed funds for the year ended December 31, 2018.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Commissioners or through the Board delegating this responsibility to a body or official (Fire Chief) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has no assigned funds for year ended December 31, 2018.

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

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

F. Budgets

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

The 2018 General Fund budget was published in the official journal and made available for public inspection. The budget was adopted by the Board of Commissioners on December 11, 2017. The budget had one amendment that was adopted by the Board of Commissioners on November 29, 2018.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the North Bienville Fire Protection District may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The District may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

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

H. Investments

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

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

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

I. Capital Assets

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

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

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

J. Deferred Outflows of Resources

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

K. Deferred Inflows of Resources

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

L. Estimates

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

2. Ad Valorem Tax

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

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

	Authorized Millage	Levied Millage
Maintenance	6.70	6.70

3. Cash, Cash Equivalents, and Investments

At December 31, 2018, the District had cash and cash equivalents (book balances) totaling \$1,181,920. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At December 31, 2018, the District had \$1,183,748 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 federal deposit insurance, and \$1,638,467 of pledged securities held in a Federal Reserve pledge account. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The North Bienville Fire Protection District has complied with these requirements of state law.

Cash and investments are categorized to give an indication of the level of risk assumed by the District at December 31, 2018. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The North Bienville Fire Protection District has cash and cash equivalents that are covered by \$250,000 of federal depository insurance. The remaining balance is exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging financial institution. The District does not have a policy on custodial credit risk.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

4. Investments

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

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

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date. Level 2 inputs are inputs-other than quoted prices included within Level 1-that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset, and the government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Below are the fair value measurements of the investments held by the North Bienville Fire Protection District at December 31, 2018.

Type of Investment	Level 1	Level 2	Level 3	Amortized Cost	Total
U.S. Government Securities	\$ 405,181	\$ -	\$ -	\$ -	\$ 405,181
Total	<u>\$ 405,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,181</u>

Investment earnings at December 31, 2018, are as follows:

	Amount
Interest	\$ -
Dividends	6,901
Capital gains (losses)	-
Unrealized gains (losses)	(4,344)
Total	<u>\$ 2,557</u>

5. Receivables

The receivables of \$665,542 at December 31, 2018, are as follows:

	Amount
Taxes	\$ 685,169
Total	<u>\$ 685,169</u>

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

6. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2018, is as follows:

	Balance, January 01, 2018	Additions	Deletions	Balance, December 31, 2018
Capital assets not being depreciated				
Land	\$ 2,600	\$ -	\$ -	\$ 2,600
Total capital assets not being depreciated	2,600	-	-	2,600
Capital assets being depreciated				
Buildings	640,883	117,750	-	758,633
Vehicles	3,799,360	367,669	-	4,167,029
Equipment	544,482	-	-	544,482
Improvements	97,871	-	-	97,871
Total capital assets being depreciated	5,082,596	485,419	-	5,568,015
Less accumulated depreciation				
Buildings	357,657	20,345	-	378,002
Vehicles	3,095,422	262,092	-	3,357,514
Equipment	525,010	8,153	-	533,163
Improvements	92,746	1,510	-	94,255
Total accumulated depreciation	4,070,834	292,100	-	4,362,934
Net capital assets being depreciated	1,011,762	193,319	-	1,205,081
Capital assets, net	\$ 1,014,362	\$ 193,319	\$ -	\$ 1,207,681

Depreciation expense of \$292,100 was charged to the public safety function.

7. Payables

The payables of \$5,577, at December 31, 2018, are as follows:

	Amount
Accounts	\$ 2,396
Payroll liabilities	3,181
Total	\$ 5,577

8. Retirement Plans

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

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

9. Long-Term Obligations

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

Long-term obligation	Balance, January 01, 2018	Additions	Deletions	Balance, December 31, 2018
General Obligation Bonds, Series 2007	\$ 30,046	\$ -	\$ 30,046	\$ -
Total	<u>\$ 30,046</u>	<u>\$ -</u>	<u>\$ 30,046</u>	<u>\$ -</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2018:

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

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

Year ending December 31:	Principal	Interest
2018	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>

10. Grants

During the year ended December 31, 2018, the North Bienville Fire Protection District received no grants.

North Bienville Fire Protection District
Arcadia, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2018

11. Risk Management

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

12. Litigation and Claims

At December 31, 2018, the District was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Alayna C. Huckaby, CPA

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

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

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

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

North Bienville Fire Protection District
Arcadia, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the North Bienville Fire Protection District, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the North Bienville Fire Protection District's basic financial statements and have issued our report thereon dated June 28, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Kenneth D. Felden & Co., CPAs

Jonesboro, Louisiana
June 28, 2019

REQUIRED SUPPLEMENTARY INFORMATION

North Bienville Fire Protection District
Arcadia, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2018

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Ad valorem tax	\$ 639,115	\$ 634,595	\$ 623,413	\$ (11,182)
Intergovernmental	-	-	12,079	12,079
Charges for services	-	10	10	-
Total revenues	<u>639,115</u>	<u>634,605</u>	<u>635,502</u>	<u>897</u>
Expenditures				
Current:				
Public safety				
Personnel services	157,800	91,731	135,207	(43,476)
Supplies	32,000	15,039	21,119	(6,080)
Utilities	15,900	34,812	15,019	19,793
Repairs and maintenance	47,000	398,452	36,349	362,103
Contractual services	10,000	26,805	30,205	(3,400)
Miscellaneous	2,600	652	3,320	(2,668)
Insurance	40,000	39,042	40,138	(1,096)
Office	5,300	3,939	4,739	(800)
Training, education, and travel	-	526	526	-
Capital outlay	400,000	96,250	485,419	(389,169)
Total expenditures	<u>710,600</u>	<u>707,248</u>	<u>772,041</u>	<u>(64,793)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,485)</u>	<u>(72,643)</u>	<u>(136,539)</u>	<u>(63,896)</u>
Other financing sources (uses)				
Interest earnings	9,000	13,250	20,655	7,405
Net increase (decrease) in investments	-	-	(4,344)	(4,344)
Capital lease principal expenditures	(25,000)	-	-	-
Capital lease interest expenditures	-	-	(166)	(166)
Total other financing sources (uses)	<u>(16,000)</u>	<u>13,250</u>	<u>16,145</u>	<u>2,895</u>
Net changes in fund balances	<u>(87,485)</u>	<u>(59,393)</u>	<u>(120,394)</u>	<u>(61,001)</u>
Fund balances - December 31, 2017	<u>2,367,460</u>	<u>2,367,460</u>	<u>2,367,460</u>	<u>-</u>
Fund balances - December 31, 2018	<u>\$ 2,279,975</u>	<u>\$ 2,308,067</u>	<u>\$ 2,247,066</u>	<u>\$ (61,001)</u>

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

SUPPLEMENTAL INFORMATION

North Bienville Fire Protection District
Arcadia, Louisiana

Schedule of Findings and Questioned Costs
For the year ended December 31, 2018

We have audited the basic financial statements of the North Bienville Fire Protection District as of and for the year ended December 31, 2018 and have issued our report thereon dated June 28, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2018 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

B. Findings - Financial Statements Audit

Current Year

No current year findings.

Prior Year

No prior year findings.

North Bienville Fire Protection District
Arcadia, Louisiana

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

Gary Hathorn Fire Chief		
Salary	\$	96,351
Telephone		<u>2,400</u>
	\$	<u><u>98,751</u></u>

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

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

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

Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the North Bienville Fire Protection District and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2018 through December 31, 2018. The District's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

- h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers,
- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy, and
- j. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

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

Board

2. Obtain and review the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Response: The Board of Commissioners met two times during the year.

- b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Response: The minutes did not reference budget-to-actual comparisons on the general fund.

- c. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Response: The District did not have a negative ending unrestricted fund balance.

Exception: See above responses.

Management's Response: The District will include in its meetings a budget-to-actual comparison of the general fund.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

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

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Response: There was evidence that the bank reconciliations reviewed were completed within two months of the statement closing date.

b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Response: There was indication that the bank reconciliations were reviewed by a member of management or a board member.

c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Response: Two of three bank reconciliations reviewed had no reconciling items outstanding for more than 12 months. The third bank reconciliation did have reconciling items outstanding more than 12 months, and there was no indication that the reconciling items had been researched.

Exception: See above responses.

Management's Response: The District will research reconciling items that have been outstanding for over 12 months.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Response: The only cash collected is \$5 per fire report; total revenue for 2018 was \$10. All other collections are checks mailed to the District. The person collecting cash is not bonded. That same person is responsible for collecting cash, depositing cash, recording transactions, and for reconciling bank statements. There is no cash register or drawer.

a. Employees that are responsible for cash collections do not share cash drawers/registers.

Response: There are no cash registers and no cash drawers.

b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Response: The District receives a small amount of cash for fire reports. The employee responsible for collecting cash is responsible for preparing and making bank deposits.

c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Response: The Secretary is responsible for collecting cash and for posting collections to the general ledger and for reconciling the general ledger.

d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Response: The Secretary is responsible for reconciling cash collections to the general ledger and for collecting cash.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Response: No employees are bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.
- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c. Trace the deposit slip total to the actual deposit per the bank statement.
- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e. Trace the actual deposit per the bank statement to the general ledger.

Response: Sequentially numbered receipt books were not used; however, checks stubs received are kept with any additional documentation. There is no indication of when the checks are received, so there is no evidence that checks were deposited within one business day of receipt. All checks were traced to the bank statements and to the general ledger.

Exception: See above responses.

Management's Response: The District will adopt policies and procedures to document collections and reconciliations of collections, including segregation of duties or Board oversight.

Disbursements - General

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Response: Management provided a listing of locations that process payments and representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Response: The Fire Chief makes purchase requests. The Secretary prepares checks for disbursements and the Secretary and another board member sign checks.

- b. At least two employees are involved in processing and approving payments to vendors.

Response: Payments to vendors are processed by the Secretary after the Fire Chief approves the payment to vendors. One board member reviews and approves all payments to vendors while signing checks.

c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Response: The Secretary adds vendors and processes payments; however, the Board member must approve the invoice and confirm by signature on the check that the vendor has been approved.

d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Response: The Secretary mails payments and processes payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Response: Management provided the disbursement transaction population and representation that the population is complete.

a. Observe that the disbursement matched the related original invoice/billing statement.

Response: All 25 disbursements selected matched the related original invoice/billing statement.

b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Response: Of the 25 disbursements selected, all of the invoices indicated that they were approved by the Board member signing the check.

Exception: See above responses.

Management's Response: The Board of Commissioners will review their disbursements and purchasing policies to insure segregation of duties.

Credit Cards

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

Response: Management provided a listing of credit cards, bank debit cards, fuel cards, and P-cards and representation that the listing is completed.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Response: Two cards were tested. The statement for the Fuelman card was approved by someone other than the authorized card holder, but the Visa Debit Card was not approved by someone other than the authorized card holder.

b. Observe that finance charges and late fees were not assessed on the selected statements.

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing).

a. For each transaction, observe that it is supported by:

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

Response: For each of the statements, all invoices were available and identified precisely what was purchased.

ii. Written documentation of the business/public purpose, and

Response: One transactions out of 16 reviewed had a documented business/public purpose.

iii. Documentation of the individuals participating in meals (for meal charges only).

Response: Two out of 16 transactions were for meals, and neither receipt listed who participated in the meal.

Exception: See above responses.

Management's Response: The District will have a Board member approve debit card statements and receipts. The District will document the business purpose of any debit card transactions and document individuals who participate in meals.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Response: Management provided representation that there were no travel and travel-related expense reimbursements.

a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exception: See above responses.

Management's Response: None.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period.

Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Response: Management provided representation of two new contracts for products or services paid were initiated during the fiscal period.

a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Response: Neither of the two contracts reviewed were required by law to be bid.

b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Response: Both of the two contracts reviewed were approved by the Board of Commissioners.

c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Response: Neither of the two contracts reviewed were amended.

d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Response: Both of the two contracts reviewed had one payment. The payment for both contracts were paid according to the contract terms.

Exception: None.

Management's Response: None.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Response: Management provided a listing of employees/elected officials and representation that the listing is complete. The only employee the District employs is the Fire Chief.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

Response: The Fire Chief did not document his daily attendance. The Fire Chief does not receive leave.

b. Observe that supervisors approved the attendance and leave of the selected employees/officials.

Response: There are no attendance or leave documents.

c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Response: There are no attendance or leave documents.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Response: No employees were terminated during the audit year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Response: Management provided representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed by required deadlines.

Exception: See above responses.

Management's Response: The Fire Chief will document his daily attendance that the Board of Commissioners will approve.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Response: Ethics training was completed by the Fire Chief.

b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Response: There is no documentation that the Fire Chief has read the entity's ethics policy during the fiscal period.

Exception: See above responses.

Management's Response: The District will document annually that any employees have read the ethics policy and verify by signature. These documents will be kept in the employee personnel files.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Exception: None.

Management Response: None.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Response: Management has provided representation that there were no misappropriations of public funds and assets during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

We were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs.

Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance.

Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kenneth D. Felden & Co., CPAs

Jonesboro, Louisiana
June 28, 2019

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

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

June 28, 2019

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

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2018 through December 31, 2018, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

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

Yes ☒ No ☐

2. For the fiscal period January 1, 2018 through December 31, 2018, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes ☒ No ☐

3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes ☒ No ☐

4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes ☒ No ☐

5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2018, and June 28, 2019.
- Yes ☒ No ☐
6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.
- Yes ☒ No ☐
7. We represent that the listing of bank accounts provided to you is complete.
- Yes ☒ No ☐
8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.
- Yes ☒ No ☐
9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.
- Yes ☒ No ☐
10. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards, provided to you is complete.
- Yes ☒ No ☐
11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.
- Yes ☒ No ☐
12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.
- Yes ☒ No ☐
13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.
- Yes ☒ No ☐

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

Yes ☒ No ☐

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

Yes ☒ No ☐

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

Yes ☒ No ☐

17. We are not aware of any events that have occurred subsequent to December 31, 2018, that would require adjustment to or modification of the results of the agreed-upon procedures.

Yes ☒ No ☐

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

Signature Gary K. Hest Date June 28, 2019

Title Fire Chief