

**North Bienville Parish
Fire Protection District
Arcadia, Louisiana**

**Annual Financial Statements
As of December 31, 2012 and for the Year Then Ended**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 18 2013

**North Bienville Parish
 Fire Protection District
 Arcadia, Louisiana
 Annual Financial Statements
 As of December 31, 2012 and for the Year Then Ended
 With Supplemental Information Schedules**

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North Bienville Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2012

As Management of the North Bienville Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* ("GASB No. 34") issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities at December 31, 2012, by \$3,110,203 (net position).

The District's net position increased by \$142,549 as a result of this year's operations.

Total net position is comprised of the following:

Capital assets of \$1,761,532 includes property and equipment, net of accumulated depreciation and related debt.

Unrestricted net position of \$1,469,641 represent the portion available to maintain the District's continuing obligations to citizens and creditors.

At December 31, 2012, the District's governmental funds consist solely of the District's general fund. The District's governmental funds reported a total ending fund balance of \$1,511,264 a increase of \$63,594 including expenditures for capital assets. The entire fund balance is unassigned available for spending at the District's discretion except for \$41,623 which is reserved for debt service.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. In accordance with GASB No 34, the District's basic financial statements comprise three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. They present the financial picture of the District from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term obligations).

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

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The *Statement of Activities* presents the current year's revenues and expenses and other information showing how the District's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements are presented on pages 7-8 of this report

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. All of the funds of the District are categorized as governmental funds.

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

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

The District maintains one individual governmental fund - the general fund. The District adopts an annual appropriated budget for the general fund, and a budgetary comparison schedule is provided for the general fund to demonstrate compliance with this budget

The governmental fund financial statements are presented on pages 7-8 of this report.

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentation. The general fund's budgetary comparison schedule is included as "required supplementary information." Required supplementary information is information that the accounting rules strongly suggest be presented within the District's financial report. This schedule demonstrates compliance with the District's adopted and final revised budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's net position at December 31, 2012, are summarized as follows

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The largest components of the Districts' total assets are. (1) cash and investments of \$861,540 or 26%; (2) capital assets (e.g., land, building, and improvements and equipments, net of accumulated depreciation) of \$1,761,532 or 54%; and (3) ad valorem taxes receivable of \$660,412 or 20%. Of the District's total liabilities, the largest component is bonds payable of \$162,593 or 94%.

As noted earlier, net position (total assets less total liabilities) may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the District's net position totaled \$3,110,203. A portion of the District's net position reflect its investments in capital assets (e.g., building, land, and equipment). Capital assets are non-liquid assets and cannot be utilized to satisfy the District's obligations. The unrestricted net position of the District are available for future use. The unrestricted net position exceeds 100% of the total operating expenses for the fiscal year ended December 31, 2012, which indicate that the District should be able to operate for at least 12 months using its unrestricted net position.

The following is a condensed statement of the Fire District's net position as of December 31, 2012 as compared to prior year:

	<u>2012</u>	<u>2011</u>
Assets		
Current & Other Assets	\$1,521,952	\$1,469,625
Capital Assets (net)	<u>1,761,532</u>	<u>1,705,847</u>
Total Assets	<u>\$3,283,484</u>	<u>\$3,175,472</u>
Liabilities		
Other Liabilities	\$10,688	\$21,955
Long-term Liabilities	<u>162,593</u>	<u>185,864</u>
Total Liabilities	<u>173,281</u>	<u>207,819</u>
Net position		
Invested in capital assets, net	1,598,939	1,519,983
Reserved for debt service	41,623	41,112
Unrestricted	<u>1,469,641</u>	<u>1,406,558</u>
Total Net position	<u>\$3,110,203</u>	<u>\$2,967,653</u>

Governmental activities increased net position by \$142,549 for the year ended December 31, 2012.

Key elements of the analysis of government-wide revenues and expenses reflect the following:

The District is heavily dependent on property taxes to support its operations. Property taxes provided 95% of the District's total revenues. Interest income totaled approximately 3% of the District's current year resources. The District's operations are heavily staff oriented. As a result, employee salaries and benefits make up approximately 22% of the total expenses. Operating Services and Materials and Supplies expenses comprise 18% and 6%, respectively, of total expenses.

The following is a summary of the statement of activities:

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	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
Revenue			
Program Revenue		\$0	\$0
General Revenue & Transfers	696,156	662,296	33,860
Total Revenue	<u>696,156</u>	<u>662,296</u>	<u>33,860</u>
Expenses			
General & Administrative	0	0	0
Public Safety	553,607	573,104	(19,497)
Total Expenses	<u>553,607</u>	<u>573,104</u>	<u>(19,497)</u>
Increase (Decrease) in Net position	142,550	89,192	53,358
Net position, Beginning	<u>2,967,653</u>	<u>2,878,461</u>	<u>89,192</u>
Net position, Ending	<u>\$3,110,203</u>	<u>\$2,967,653</u>	<u>\$142,550</u>

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial statements of the District present its General Fund. The General Fund is the District's operating fund and the source of day-to-day service delivery. As discussed, the General Fund is useful in assessing the resources available at the end of the year in comparison with upcoming requirements.

At December 31, 2012, the District's General Fund balance (total assets less total liabilities) totaled \$1,511,264. The District's unassigned fund balance increased by \$63,594 in 2012.

Total operating revenues reflect a 7% (\$45,659) increase in 2012 as compared to 2011

Total operating expenses, including capital outlay, decreased by 22% (\$178,335) from 2011 to 2012.

GENERAL BUDGETARY ANALYSIS

The District employs formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual (Budgetary Basis) include the original adopted budget amounts and the final amended budget amounts. Original budgets for each year are adopted on or before December 31 of the year preceding the budget year. The original budget is based on estimated revenues, estimated expenses, and other financial information known to the District at the time of the adoption of the budget. Amendments to the original budget are made throughout the year as changes in operations, in expected funding levels, and in estimated expenditures occur. The final amended budget is prepared at the time the District anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations.

The difference between the final amended budgeted revenues and actual revenues for the year ended December 31, 2012, totaled \$17,764 for a positive variance. The actual expenditures vary from the final amended budgeted expenditures for the year ended December 31, 2012, by \$5,959, for a 1% negative variance.

**North Bienville Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2012**

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At the end of December 31, 2012, the District had invested in various capital assets, including equipment, furniture, and vehicles. The capital assets are summarized below:

Depreciable Assets:	
Buildings and improvements	\$631,059
Machinery and equipment	3,571,813
Land	<u>2,600</u>
Totals	4,205,472
Less Accumulated Depreciation	<u>2,443,940</u>
Book-Value of Depreciable Assets	<u>\$1,761,532</u>

ECONOMIC FACTORS AND FUTURE OUTLOOK

The District's budgeted revenues and expenditures for 2013 are comparable to 2012's actual revenues and expenditures. The District does not anticipate any changes in its day-to-day operations that will have a material effect on its 2013 budget

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ed Magee, at the District's Office, 1934 South Railroad Avenue, Arcadia, Louisiana 71001 or call at (318) 263-9999.

EDWARDS, WADE & PERRY

Certified Public Accountants

A Professional Accounting Corporation

Members: AICPA / Society of LCPA's

Independent Auditor's Report

Board of Commissioners
North Bienville Parish Fire Protection District
Arcadia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of North Bienville Parish Fire Protection District ("District"), as of and for the year ended December 31, 2012, 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

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 respective financial position of the governmental activities of North Bienville Parish Fire Protection District, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters


Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-X and x-x 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 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2013, on our consideration of the 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 the 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 District's internal control over financial reporting and compliance.


Ruston, Louisiana
June 20, 2013

North Bienville Fire Protection District
 Governmental Funds Balance Sheet/Statement of Net position
 December 31, 2012

	General Fund	Adjustments (Note 1)	Statement of Net position
ASSETS			
Cash and cash investments	\$819,917		\$819,917
Receivables	660,412		660,412
Restricted cash	41,623		41,623
Capital assets (net)		<u>\$1,761,532</u>	<u>1,761,532</u>
TOTAL ASSETS	<u>\$1,521,952</u>	<u>\$1,761,532</u>	<u>\$3,283,484</u>
Deferred outflows of resources			0
LIABILITIES			
Accounts, salaries, and other payables	\$10,688		\$10,688
Bonds payable		<u>\$162,593</u>	<u>162,593</u>
Total Liabilities	<u>10,688</u>	<u>162,593</u>	<u>173,281</u>
Deferred inflows of resources			0
FUND BALANCES			
Restricted for debt service	41,623	(41,623)	0
Unassigned, reported in General fund	<u>1,469,641</u>	<u>(1,469,641)</u>	<u>0</u>
Total Fund Balances	<u>1,511,264</u>	<u>(1,511,264)</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,521,952</u>		
NET POSITION			
Invested in capital assets, net of related debt		1,598,939	1,598,939
Restricted for debt service			41,623
Unrestricted			<u>1,469,641</u>
TOTAL NET POSITION		<u>\$1,598,939</u>	<u>\$3,110,203</u>

The accompanying notes are an integral part of this statement

North Bienville Fire Protection District
Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended December 31, 2012

	General Fund	Adjustments (Note 1)	Statement of Activities
Expenditures			
General government - public safety:			
Personnel services	\$119,961		\$119,961
Operating services	98,741		98,741
Materials and supplies	32,979		32,979
Travel and other charges	4,105		4,105
Depreciation		\$262,886	262,886
Intergovernmental	20,587		20,587
Debt Service	37,619	(23,271)	14,348
Capital outlay	318,570	(318,570)	0
Total Expenditures	<u>632,562</u>	<u>(78,955)</u>	<u>553,607</u>
Revenues:			
Program revenues:			
Capital grants and contributions:			
Federal grants	0		0
State grants	0		0
General revenues:			
Property taxes	664,603		664,603
Intergovernmental revenues - state revenues	11,240		11,240
Interest income	19,508		19,508
Other revenue	805		805
Total Revenues	<u>696,156</u>	<u>0</u>	<u>696,156</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	63,594	78,955	142,549
OTHER FINANCING SOURCES (USES)			
Gain on sale of capital assets	0	0	0
Proceeds from bonds	0	0	0
Total Other Financing Sources	0	0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES/CHANGE IN NET POSITION	63,594	78,955	142,549
FUND BALANCE/NET POSITION:			
Beginning of Year	<u>1,447,670</u>	<u>1,519,983</u>	<u>2,967,653</u>
End of Year	<u>\$1,511,264</u>	<u>\$1,598,938</u>	<u>\$3,110,203</u>

The accompanying notes are an integral part of this statement.

North Bienville
Fire Protection District
Arcadia, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Bienville Fire Protection District (the District) was created by the Bienville Parish Police Jury as authorized under the provisions of Louisiana Revised Statutes 33:7721, on June 8, 1988. The District is governed by a five member board appointed by the police jury. Board members serve without benefit of compensation. The District is responsible for maintaining and operating fire stations and equipment and providing fire protection within boundaries of the District.

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Certain of the significant changes in the Statement include the following:

- * A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations;
- * Financial statements prepared using full accrual accounting for all of the District's activities; and
- * A change in the fund financial statements to focus on the major funds.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

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

Because the police jury appoints two board members, the Town of Gibsland appoints one board member, the Village of Bryceland appoints one board member and the fifth board member is elected by the board as chairman of the board, the fire 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. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Funds

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following are the District's governmental funds.

General Fund - The primary operating fund of the District, it 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 the District's policy.

D CAPITAL ASSETS

Capital assets 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. All of fixed assets are based on actual historical costs. The district maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets and related expenses are recorded in the Statement of net position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

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 Notes to the Financial Statements
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<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings and improvements	10-25 years
Equipment and vehicles	3-10 years

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47.1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January through the tax sale of the ensuing year. Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Based on the above criteria, ad valorem taxes and state revenue sharing have been treated as susceptible to accrual.

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Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for compensated absences, which are recognized when paid.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of net position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net position (Statement A) are as follows

Net change in fund balance	\$63,594
Capital outlay recorded as expenditures	318,570
Depreciation expense	(262,886)
Difference in sale of asset and gain on sale	0
Debt service principle payments	<u>23,271</u>
Change in Net position	<u>\$142,550</u>

F CASH AND CASH EQUIVALENTS

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

At December 31, 2012, the District has cash and cash equivalents (book balances) totaling \$861,540 of which \$463,070 is in demand accounts

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. All deposits are fully secured by federal deposit insurance and pledged securities at December 31, 2012.

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Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

G. INVENTORY

Inventory in the General Fund consists of expendable supplies held for consumption. Inventories are valued at the lower of cost (first-in, first-out) or market. There were no inventories as of December 31, 2012.

H. 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: automobile liability and collision; surety bond coverage; workers' compensation insurance; airplane liability; and property insurance. In addition to the above policies, the District maintains a general liability policy and an errors and omissions policy. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

I. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

J Fund Equity

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance.

The District adopted GASB 54 in the year ended December 31, 2011. As such, fund balances of the governmental funds are classified as follow.

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments.

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Committed - amounts constrained to specific purpose 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 of action to remove or change the constraint.

Assigned - amounts the 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 - all other spendable amounts.

As of December 31, 2012, fund balances are composed of the following:

	<u>General Fund</u>
Restricted:	
Debt service	\$41,623
Unassigned	<u>1,469,641</u>
Total fund balances	<u>\$1,511,264</u>

2 LEVIED TAXES

The District has an authorized tax millage of 5.99 mills which is restricted by tax proposition, to operation and maintenance of the recreational facilities of the District. For the year ended December 31, 2012, the District levied 5.99 mills as a result of reassessments of taxable property as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 2012 assessed valuation (amounts expressed in thousands):

<u>Taxpayer</u>	<u>Type of business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad valorem Tax Revenue for District</u>
Regency Intrastate	oil and gas	19,316,140	17.23%	\$115,704
Bear Creek Storage	storage facility	16,996,380	15.16%	101,808
ConocoPhillips Company	oil and gas	13,039,980	11.63%	78,109
El Paso E&P Company	oil and gas	<u>12,405,860</u>	11.07%	<u>74,311</u>
Total		<u>61,758,360</u>	<u>49.40%</u>	<u>\$369,932</u>

3 RECEIVABLES

The General Fund receivables of \$660,412 as of December 31, 2012 consist solely of ad valorem taxes.

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4. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets for the year ended December 31, 2012:

	<u>12/31/2011</u>			<u>12/31/2012</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$2,600			\$2,600
Total capital assets not being depreciated	<u>2,600</u>	<u>0</u>	<u>0</u>	<u>2,600</u>
Capital assets being depreciated:				
Buildings and improvements	622,524	\$8,534		631,058
Machinery and equipment	<u>3,261,778</u>	<u>310,036</u>		<u>3,571,814</u>
Total capital assets being depreciated	<u>3,884,302</u>	<u>318,570</u>	<u>0</u>	<u>4,202,872</u>
Less:				
Accumulated depreciation	<u>2,181,054</u>	<u>262,886</u>		<u>2,443,940</u>
Total capital assets being depreciated, net	<u>\$1,705,848</u>	<u>\$55,684</u>	<u>0</u>	<u>\$1,761,532</u>

5. LONG-TERM OBLIGATIONS

At December 31, 2012, the long-term debt of the North Bienville Fire Protection District consisted of the following individual bond issues:

Taxable general obligation bonds, Series 2007, 4.375%, dated February 15, 2011 in the original amount of \$250,000. Scheduled principal and interest payments due annually through February 2018.	<u>\$162,593</u>
Total	<u>\$162,593</u>

General Obligation Bonds constitute obligations of the North Bienville Fire Protection 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 North Bienville Fire Protection District will only be used for acquiring and purchasing fire trucks and fire fighting equipment of said district, title to which shall be in the public.

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The annual requirements to service debt outstanding at December 31, 2012, including interest of \$25,785 as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2013	24,288	7,114	\$31,402
2014	25,351	6,052	31,403
2015	26,461	4,942	31,403
2016	27,618	3,785	31,403
2017	28,826	2,577	31,403
2018	30,067	1,315	31,382
Total	<u>\$162,611</u>	<u>\$25,785</u>	<u>\$188,396</u>

The District shall deposit in the Sinking fund monthly in advance on or before the 20th day of each month, a sum equal to 1/12th of the principal and interest falling due on the next payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same fall date. The District shall transfer monthly on or before the 20th day of each month of each year a sum equal to 10% of the amount to be paid monthly in the Reserve fund until such time has been accumulated a sum equal to the lesser of 10% of the principal amount of the certificates (\$25,000) or the principal and interest falling due on the certificates in any succeeding fiscal year.

6 LITIGATION AND CLAIMS

The fire district was not involved in litigation as of December 31, 2012.

7. NEW ACCOUNTING PRONOUNCEMENTS

During the year ended December 31, 2012, the District adopted GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net position is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

8. DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through June 20, 2013, the date which the financial statements were available to be issued

REQUIRED SUPPLEMENTAL INFORMATION

North Bienville Fire District
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (Non-GAAP) and
 Actual (Budgetary Basis)
 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$671,571	\$646,731	\$661,654	\$14,923
Intergovernmental revenues:				
State grants				0
Other state revenues	11,800	11,240	11,240	0
Interest income	16,000	6,368	19,508	13,140
Other revenues	50	805	805	0
Total Revenues	<u>699,421</u>	<u>665,144</u>	<u>693,207</u>	<u>28,063</u>
EXPENDITURES				
General government - public safety:				
Personnel services	120,000	122,423	119,961	2,462
Operating services	149,600	107,999	97,860	10,139
Materials and supplies	52,500	40,464	32,979	7,485
Travel and other charges	3,000	4,105	4,105	0
Intergovernmental	20,000	0	20,587	(20,587)
Adjustment	0	11,026	0	11,026
Debt service	34,600	31,403	31,403	0
Capital outlay	350,000	302,086	318,570	(16,484)
Total Expenditures	<u>729,700</u>	<u>619,506</u>	<u>625,465</u>	<u>(5,959)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(30,279)	45,638	67,742	22,104
OTHER FINANCING SOURCES (USES)				
Capital Gains	0	10,299	0	(10,299)
Sale of capital assets	0			0
Total Other Financing Sources (Uses)	<u>0</u>	<u>10,299</u>	<u>0</u>	<u>(10,299)</u>
Excess of Revenues and Other Financing Sources over Expenditures and other financing uses	(30,279)	55,937	67,742	11,805
Fund Balance (Deficit) at Beginning of Year	<u>1,498,368</u>	<u>1,498,368</u>	<u>1,498,368</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$1,468,089</u>	<u>\$1,554,305</u>	<u>\$1,566,110</u>	<u>\$11,805</u>

Notes to the Schedule

- (1) method of budgetary accounting - cash (non-GAAP)
- (2) explanation of material variances

The accompanying notes are an integral part of this statement.

North Bienville
Fire Protection District
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Notes to the Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP) and Actual (Budgetary Basis)
For the Year Ended December 31, 2012

NOTE A - BUDGETARY POLICIES

The proposed budget for the General Fund, prepared on the cash basis of accounting, is published in the official journal at least ten days prior to the public hearing and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. A public hearing is held at the District's office for comments from taxpayers. The budget is then legally adopted by the District and amended during the year, as necessary. The budget is established and controlled by the District at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the District. There was no amendment to the budget for the year ended December 31, 2012.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the budget comparison accompanying the financial statements include the original adopted budget amount and all subsequent amendments. Encumbrance accounting is not used by the District.

NOTE B - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	<u>General Fund</u>
Source/inflows of resources	
Actual amounts (budgetary basis) "Total Revenues" from Schedule 1.	\$693,207
<u>Differences - budget to GAAP:</u>	
The District budgets for property tax revenue only to the extent expected to be received, rather than on the modified accrual basis	<u>2,949</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$696,156</u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "Total Expenditures" from the Schedule 1.	\$625,465
<u>Differences - budget to GAAP.</u>	
The District budgets for operating expenditures only to the extent expected to be paid, rather than on the modified accrual basis.	<u>7,097</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$632,562</u>

OTHER REPORTS

EDWARDS, WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA / Society of LCPA's

REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of Commissioners
North Bienville Parish Fire Protection District
Arcadia, Louisiana

We have audited, 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, the financial statements of the governmental activities of North Bienville Parish Fire Protection District ("District") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 20, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. 2012-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2012-2.

District's Response to Findings

District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Edmunds Wade & Perry

Ruston, Louisiana

June 20, 2013

North Bienville Fire Protection District
 Schedule of Findings and Responses
 For the Year Ended December 31, 2012

We have audited the financial statements of North Bienville Fire Protection District as of and for the year ended December 31, 2012, and have issued our report thereon dated June 20, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 20, 2013 resulted in an unqualified opinion.

A. Summary of Audit Results

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

Internal Control

Material Weaknesses Yes No Significant Deficiency Yes No

Compliance

Compliance Material to Financial Statements Yes No

2 Federal Awards

Internal Control

Material Weaknesses Yes No Significant Deficiency Yes No

Type of Opinion On Compliance
 For Major Programs

Unqualified Qualified
 Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
 Yes No

Was a management letter issued? Yes No

3. Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
N/A	

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? Yes No

B. Financial Statements Findings

2012-1 Lack of segregation of duties

Due to the small number of employees, the fire district did not have adequate segregation of duties of functions within the accounting system.

Recommendation: We recommend the fire district consider the costs and benefits of hiring additional staff to perform these functions

Response: Management understands the importance of segregating duties and will weigh the costs and benefits in performing these functions

2012-2. Debt service requirements not met for Reserve fund

The balance in the Reserve fund as of December 31, 2012 is underfunded by \$3,097, as required by the debt agreement.

Recommendation: We recommend the District make the required deposits to date and continue the deposit requirements until there has been accumulated a sum equal to the lesser of 10% of the principal amount (\$25,000) or the principal and interest amount falling due in any succeeding year.

Response: Management will make the required deposits as soon as possible and continue with the required deposits until such time as the required accumulated sum has been deposited.

C. Federal Award Findings and Questioned Costs

None

North Bienville Fire Protection District
Summary of Prior Year Findings
For the Year Ended December 31, 2012

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2011-1. Inadequate segregation of duties - Unresolved see 2012-1

2011-2. Budget violation - Resolved

2011-3. Article VII, Section 14 violation - Resolved

2011-4. Open meetings violation - Resolved

B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

C. MANAGEMENT LETTER

None