

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

Annual Financial Statements
For the Year Ended December 31, 2021

Fire Protection District No. 6 of Bienville Parish

Annual Financial Statements
 For the Year Ended December 31, 2021
 With Supplemental Information Schedules

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Fire Protection District No. 6 of Bienville Parish
Management's Discussion and Analysis
For the Year Ended December 31, 2021

The management of the Fire Protection District No. 6 of Bienville Parish offers readers of the Fire Protection District No. 6 of Bienville Parish's (District) financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the District's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of District finances. It is also intended to provide readers with an analysis of the District's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

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, 2021, by \$1,851,956 (net position).

The District's net position decreased by \$65,112 as a result of this year's operations.

Total net position are comprised of the following:

Capital assets of \$1,189,248 which includes property and equipment, net of accumulated depreciation and related debt.

Unrestricted net position of \$662,708 represent the portion available to maintain the District's continuing obligations to citizens and creditors.

At December 31, 2021, 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 \$642,466, an increase of \$29,731 including expenditures for capital assets. The entire fund balance is unreserved available for spending at the District's discretion.

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.

Fire Protection District No. 6 of Bienville Parish
Management's Discussion and Analysis
For the Year Ended December 31, 2021

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.

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 9 and 10 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 11 and 13 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.

Fire Protection District No. 6 of Bienville Parish
Management's Discussion and Analysis
For the Year Ended December 31, 2021

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 implemented the new financial reporting model used in this report beginning with the calendar year ended December 31, 2009. Over time, as we accumulate year-to-year financial information on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

The District's net position at December 31, 2021, are summarized as follows:

The largest components of the Districts' total assets are: (1) capital assets (e.g., land, building, and improvements and equipments, net of accumulated depreciation) of \$1,189,248 or 64%; (2); and receivables of \$427,306 or 23%. Of the District's total liabilities, the largest component is accounts payable of \$16,537 or 100%.

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 \$xxx. 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 is more than the total operating expenses for the fiscal year ended December 31, 2021, 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 District's governmental-type activities net position as of December 31, 2021:

	<u>2021</u>	<u>2020</u>
Assets		
Current & Other Assets	\$679,245	\$689,024
Capital Assets (net)	<u>1,189,248</u>	<u>1,287,641</u>
Total Assets	<u>\$1,868,493</u>	<u>\$1,976,665</u>
Liabilities		
Other Liabilities	\$16,537	\$59,598
Capital lease payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>16,537</u>	<u>59,598</u>
Net Position		
Invested in capital assets, net	1,189,248	1,287,641
Unrestricted	<u>662,708</u>	<u>629,426</u>
Total Net Position	<u>\$1,851,956</u>	<u>\$1,917,067</u>

Governmental activities decreased net position by \$65,112 for the year ended December 31, 2021.

Fire Protection District No. 6 of Bienville Parish
Management's Discussion and Analysis
For the Year Ended December 31, 2021

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 91% of the District's total revenues. The District's operations are heavily staff oriented. As a result, employee salaries and benefits make up approximately 28% of the total expenses. Operating Services expenses comprise 30% of total expenses.

The following is a summary of the governmental-type statement of activities:

	<u>2021</u>	<u>2020</u>
Revenue		
Program Revenue	\$34,390	\$203,637
General Revenue & Transfers	442,029	520,247
Total Revenue	<u>476,419</u>	<u>723,884</u>
Expenses		
Program Expenses	541,531	464,283
Total Expenses	<u>541,531</u>	<u>464,283</u>
Increase (Decrease) in Net Position	(65,112)	259,601
Net Position, Beginning	<u>1,917,068</u>	<u>1,657,467</u>
Net Position, Ending	<u>\$1,851,956</u>	<u>\$1,917,068</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, 2021, the District's General Fund balance (total assets less total liabilities) totaled \$642,466. The District's unassigned fund balance increased by \$29,731 in 2021.

Total operating revenues reflect an 11% or \$53,329 decrease in 2021 as compared to 2020.

Total operating expenses, including capital outlay, decreased by 33% or \$222,558 from 2021 to 2020. The most significant decreases in expenditures occurred in capital outlay which decreased by \$232,027.

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 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

Fire Protection District No. 6 of Bienville Parish
Management's Discussion and Analysis
For the Year Ended December 31, 2021

year and no expected changes in operations.

The difference between the final amended budgeted revenues and actual revenues for the year ended December 31, 2021, totaled \$54,731, a negative variance. The actual expenditures were less than the final amended budgeted expenditures for the year ended December 31, 2021, by \$294,462, a positive variance.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At the end of December 31, 2021, the District had invested in various capital assets, including equipment, buildings, improvements, and land. The capital assets are summarized below:

Depreciable Assets:	
Buildings and improvements	\$1,270,390
Equipment	543,909
Vehicles	2,115,159
Construction in progress	0
Land	<u>100,000</u>
Totals	4,029,458
Less Accumulated Depreciation	<u>2,840,210</u>
Book-Value of Depreciable Assets	<u><u>\$1,189,248</u></u>

ECONOMIC FACTORS AND FUTURE OUTLOOK

The District's budgeted revenues and expenditures for 2022 are comparable to 2021'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 2022 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 Chairman Alvie Myers, at PO Box 190, Castor, Louisiana 71016.

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Fire Protection District No. 6 or Bienville Parish ("District"), as of and for the year ended December 31, 2021, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 5 and 28 through 29 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.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and are 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 a report dated August 2, 2022, 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.

Wade + Perry

Ruston, Louisiana

August 2, 2022

Fire Protection District No. 6 of Bienville Parish
Statement of Net Position
December 31, 2021

ASSETS	
Cash and equivalents	\$251,939
Receivables	427,306
Capital assets (net)	<u>1,189,248</u>
TOTAL ASSETS	<u>\$1,868,493</u>
LIABILITIES	
Accounts, salaries, and other payables	\$16,537
NET POSITION	
Prior Period Adjustment	0
Net investment in capital assets	1,189,248
Unassigned	<u>662,708</u>
TOTAL NET POSITION	<u>\$1,851,956</u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 6 of Bienville Parish
Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended December 31, 2021

Expenditures/Expenses	
Public safety:	
Personal services	\$149,679
Operating services	164,514
Materials and supplies	6,866
Travel	6,839
Intergovernmental	13,184
Depreciation expense	200,449
Total Expenditures/Expenses	<u>541,531</u>
Program Revenues	
Capital outlay state reimbursement	28,175
Local grant	6,215
Net Program Expense	<u>(507,141)</u>
General Revenues	
Ad valorem taxes	432,784
Fire insurance rebate	7,789
Interest earned	1,456
Other revenues	0
Special items - gain on disposal of assets	0
Total General Revenues	<u>442,029</u>
Change in Net Position	(65,112)
Beginning of Year	<u>1,917,068</u>
End of Year	<u><u>\$1,851,956</u></u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 6 of Bienville Parish
 Balance Sheet, General Fund
 December 31, 2021

ASSETS

Cash and cash equivalents	\$251,939
Receivables	<u>427,306</u>
TOTAL ASSETS	<u>\$679,245</u>

LIABILITIES AND FUND EQUITY

Accounts, salaries, and other payables	16,537
Deferred revenue	<u>20,242</u>
Total liabilities	<u>36,779</u>
Fund equity - fund balance - unassigned	<u>642,466</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$679,245</u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 6 of Bienville Parish
 Reconciliation of The Governmental Funds Balance Sheet
 to The Government-Wide Financial Statement of Net Position
 December 31, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances, Total governmental funds (Statement C)		\$642,466
Deferred revenues are not financial resources and, therefore, are not reported in the governmental fund		20,242
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds:		
Governmental capital assets	4,029,458	
Less accumulated depreciation	<u>(2,840,210)</u>	<u>1,189,248</u>
Total Net Position of Governmental Activities (Statement A)		<u><u>\$1,851,956</u></u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 6 of Bienville Parish
Statement of Revenues, Expenditures, and
Changes in Fund Balances - General Fund
For the Year Ended December 31, 2021

REVENUES	
Ad valorem taxes	\$429,234
Fire insurance rebate	7,789
Interest earned	1,456
Other revenues	0
Capital outlay state reimbursement	28,175
Local grant	6,215
Total Revenues	<u>472,869</u>
EXPENDITURES	
Public safety:	
Personal services	149,679
Operating services	164,514
Materials and supplies	6,866
Travel and other	6,839
Capital outlay	102,056
Intergovernmental	13,184
Total Expenditures	<u>443,138</u>
Excess (Deficiency) of Revenues over Expenditures	29,731
OTHER FINANCING SOURCES (USES)	
Proceeds from disposal of fixed assets	<u>0</u>
Total other financing sources (uses)	<u>0</u>
Excess (Deficiency) of Revenues and other sources over Expenditures and other	29,731
Fund Balances – beginning	612,735
Prior period adjustment	0
Fund Balances – ending	<u><u>\$642,466</u></u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 6 of Bienville Parish
 Reconciliation of The Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2021

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	\$29,731
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Some revenues reported in the statement of activities are not available as current financial resources and, therefore are not reported as revenues in the governmental	3,550
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$102,056) exceeded depreciation (\$200,449) in the current period.

<u>(98,393)</u>

Change in Net Position of Governmental Activities (Statement B)	<u><u>(\$65,112)</u></u>
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The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Fire Protection District No. 6 of Bienville Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements of the 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 accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*, issued in June, 1999.

A. REPORTING ENTITY

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

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

Fire Protection District No. 6 of Bienville Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

Because the police jury created the district, appoints certain commissioners, and has the ability to impose its will on the district, the district was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basic Financial Statements - Government-Wide

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. The major individual governmental fund, which is the general fund, is reported in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

Allocation of Indirect Expenses - The district reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in

Fire Protection District No. 6 of Bienville Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. Basic Financial Statements - Fund Financial Statements

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

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

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

Governmental Fund Type

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund

Fire Protection District No. 6 of Bienville Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Revenues

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

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

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

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

Expenditures

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

Fire Protection District No. 6 of Bienville Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

E. CASH AND CASH EQUIVALENTS

Under state law, the fire district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana, At December 31, 2021, the fire district has cash and cash equivalents (book balances) totaling \$251,939.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the fire district that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Fire District's name.

These deposits are secured as follows:

Bank balances	<u>\$254,975</u>
Federal deposit insurance	\$250,000
Pledged securities (uncollateralized)	<u>110,321</u>
Total	<u>\$360,321</u>

F. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the police jury maintains coverage on the fire district. The policy covers general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2021.

G. EQUITY CLASSIFICATIONS

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

Fire Protection District No. 6 of Bienville Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

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

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

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

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

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

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

The General Fund has an unassigned fund balance of \$642,466. If applicable, the District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Fire Protection District No. 6 of Bienville Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

H. ESTIMATES

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

2. LEVIED TAXES

The district is authorized to levy a maximum tax of 6.89 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 7.19 mills for 2021. The tax was renewed and will expire with the 2021 tax roll.

The difference between authorized and levied millage is the result of reassessments of taxable property in the parish, as required by Article VII, Section 18 of the Louisiana Constitution of 1974, The following are the principal taxpayers for the parish and their 2021 assessed valuation (amounts expressed in thousands).

	Assessed Valuation	% of Total Assessed Valuation
ETC Tiger Pipeline	24,885,489	41.32%
Bear Creek Storage	5,811,860	9.65%
Gulf South Pipeline	3,689,910	6.13%
Enterprise TE Pipeline Co	3,611,210	6.00%
Enable Gas Transmission	3,203,195	5.32%
Total	41,201,664	68.42%

3. CAPITAL ASSETS

The following presents the changes in capital assets for the year ended December 31, 2021:

	12/31/2020 Balance	Adjustments	Additions	Deletions	12/31/2021 Balance
Land	\$100,000				\$100,000
Construction in progress	315,762		\$41,363	(357,125)	0
Buildings	913,265		357,125		1,270,390
Vehicles	2,115,159				2,115,159
Equipment	483,216		60,693		543,909
Total	3,927,402	0	459,181	(357,125)	4,029,458
Depreciation on capital assets	(2,639,761)		(200,449)		(2,840,210)
Net capital assets	\$1,287,641	\$0	\$258,732	(\$357,125)	\$1,189,248

Fire Protection District No. 6 of Bienville Parish
Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

4. PENSION PLANS

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

5. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2021, nor is it aware of any unasserted claims.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of insurance.

7. DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through August 2, 2022, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTAL SCHEDULES

Fire Protection District No. 6 of Bienville Parish
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended December 31, 2021

Schedule 1

Agency Head Name: Thomas "Adrian" Batchelor, Fire Chief

Purpose	Amount
Salary	\$37,000
Benefits-social security & medicare	2,831

Fire Protection District No. 6 of Bienville Parish
Schedule of Compensation Paid Commissioners
For the Year Ended December 31, 2021

Schedule 2

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive \$30 compensation for each meeting.

Alvie Myers, Chairman	\$390
Lynn Bamburg	450
Kerry Girouard	240
Roy Page	800
Randall Hill	150

REQUIRED SUPPLEMENTAL INFORMATION

Fire Protection District No. 6 of Bienville Parish
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balances - Budget and Actual (Budgetary Basis)
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$453,600	\$453,600	\$429,234	(\$24,366)
Intergovernmental - fire insurance rebate	7,800	7,800	7,789	(11)
Use of money and property	1,200	1,200	1,456	256
State & local grants	50,000	50,000	34,390	(15,610)
Miscellaneous revenues	15,000	15,000	0	(15,000)
Total Revenues	527,600	527,600	472,869	(54,731)
EXPENDITURES				
Public safety:				
Personal services and related benefits	169,300	169,300	149,679	19,621
Operating services	197,700	197,700	164,514	33,186
Materials and supplies	23,000	23,000	6,866	16,134
Travel and other charges	16,000	16,000	6,839	9,161
Capital outlay	315,600	315,600	102,056	213,544
Intergovernmental	16,000	16,000	13,184	2,816
Total Expenditures	737,600	737,600	443,138	294,462
Excess (Deficiency) of Revenues over (under) Expenditures	(210,000)	(210,000)	29,731	239,731
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Excess (Deficiency) of Revenues and other financing sources over (under) Expenditures and other financing uses	(210,000)	(210,000)	29,731	239,731
Fund Balance (Deficit) at Beginning of Year	210,000	210,000	612,735	402,735
Fund Balance (Deficit) at End of Year	\$0	\$0	\$642,466	\$642,466

See accompanying note to budgetary comparison schedule.

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

NOTE TO BUDGETARY COMPARISON SCHEDULE

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

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts for the year ended December 31, 2021. There were no budget amendments for the year ended December 31, 2021.

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
Fire Protection District No. 6 of Bienville Parish
Castor, 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 Fire Protection District No. 6 of Bienville Parish ("District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 2, 2022.

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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we

identified certain deficiencies in internal control that we consider to be significant deficiencies. 2021-01 and 2021-02.

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 2021-03 and 2021-04.

District's Response to Findings

District's response to the findings identified in our audit is described in the accompanying corrective action plan. 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.

Wade + Perry

Ruston, Louisiana
August 2, 2022

Fire Protection District No. 6 of Bienville Parish
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

A. Summary of Audit Results

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

B. Financial Statements Findings

2021-01. Lack of segregation of duties

Condition: The District does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.

Criteria: Considered good business practice to have segregation of duties wherever possible.

Cause: Small district with limited personnel available.

Effect: Potential misstatements in financial statements may not be detected and is at risk for fraud.

Recommendation: We recommend the District implement a system of checks and balances. Segregation of duties should include collection of monies, recording deposits in general ledger, taking deposits to the bank, preparing checks and disbursements, signing checks, mailing checks, and reconciling the bank account.

2021-02. Significant deficiency in internal control over financial reporting

Condition: Management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established.

Criteria: Considered material weakness if entity cannot apply generally accepting accounting principles.

Cause: The District does not have staff capable of preparing report and notes and applying generally accepting accounting principles.

Effect: Potential misstatements in financial statements may not be detected

Recommendation: No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control deficiency exceeds its cost, and therefore it may be impractical to correct all deficiencies.

2021-03. Failing to comply with local budget act pursuant to R.S. 39:1310

Condition: For the year ended December 31, 2021, the General fund budgeted revenues and other sources exceeded actual revenues and other sources by \$54,731, or 10%.

Criteria: According to LRS 39:1310, failing to amend the budget when necessary is a violation of the local government budget act.

Cause: Management overbudgeted ad valorem taxes and state and local grants.

Effect: Noncompliance with local budget law.

Recommendation: Management should monitor budget and actual figures and amend as necessary.

2021-04. Failure to file financial statements pursuant to LRS 24:513B(3)

Condition: The District's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor's office by the statutory date of June 30, 2022.

Criteria: State law requires audited financial statements of governments to be submitted within six months of year end.

Cause: Management did not provide all necessary information in time for the external auditor to complete the agreed-upon procedures by its due date.

Effect: Material noncompliance relating to the financial statements.

Recommendation: Management should have financial records completed in a timely manner.

Fire Protection District No. 6 of Bienville Parish
Summary of Prior Year Findings
For the Year Ended December 31, 2021

2020-01. Lack of segregation of duties - Unresolved see 2021-01

2020-02. Significant deficiency in internal control over financial reporting - Unresolved see 2021-02

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

CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2021

The District hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 2021-01. Management is aware of the lack of segregation of duties and will continue to develop and implement internal control procedures to offset this inherent problem associated with being a small entity.
- 2021-02. Management concurs with the comment under recommendation and takes full responsibility for the financial statements, budget, adjustments, and notes to the financial statements.
- 2021-03. Management agrees with the recommendations and will monitor budget versus actual and amend as necessary.
- 2021-04. Management agrees with the recommendations and will implement them immediately.

WADE & PERRY

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Bienville Parish Fire District #6 (District) and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
 - 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

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

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/Collections**, 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.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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**², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and address the functions noted above. There is no mention of how vendors are added to the vendor list; no mention of standard terms and conditions, legal review, approval process, and monitoring process for contracts; no mention of

² The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

allowable expenses, dollar thresholds, documentation requirements, and no mention of required approvers for travel and expense reimbursements; no mention of actions to be taken if ethics violation takes place and no mention of a system to monitor possible ethics violation. There are no written policies and procedures regarding debt service policy. There is no written policies and procedures regarding disaster recover/business continuity pertaining to identification of critical data and frequency of data backups, periodic testing/verification that backups be restored, use of antivirus software, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event. There is no annual reporting currently being done for sexual harassment.

Board or Finance Committee³

2. Obtain and inspect the board/finance 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.

No exceptions.

b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget- to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

There is no mention of budget to actual comparisons.

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

No exceptions.

Bank Reconciliations

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

⁴ Proprietary and special revenue funds are defined under GASB standards. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary and special revenue operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

3. Obtain a listing of entity 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 accounts⁶ (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 each selected account, and observe that:

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

The software used does not show dates of when reconciliations were prepared

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

There is no evidence of anyone reviewing the reconciliations.

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

There is no evidence that outstanding items over 12 months have been researched.

Collections (excluding electronic funds transfers)⁷

4. Obtain a listing of deposit sites⁸ 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).

Management represented the list obtained was complete.

5. For each deposit site selected, obtain a listing of collection locations⁹ 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:

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

No exceptions

⁶ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁷ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

⁸ A deposit site is a physical location where a deposit is prepared and reconciled.

⁹ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

- 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.

No exceptions

- 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.

No exceptions.

- 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/official verifies the reconciliation.

No exceptions

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions

- 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions

- d) Observe 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 and the cash is stored securely in a locked safe or drawer).

No exceptions

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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).

Management represented the list obtained was 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.

No exceptions

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

No exceptions

- 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.

The same employee processes payments and adds/modifies vendor files.

- 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.

The same employee who signs checks also mails them periodically.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions

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

No exceptions

Credit Cards/Debit Cards/Fuel Cards/P-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 cards¹⁰. Obtain management's representation that the listing is complete.

Management represented the list obtained was complete.

- 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 whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions.

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

No exceptions

- 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)¹¹. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

- (1) 7 of 8 transactions had an itemized receipt
- (2) No written documentation of purpose
- (3) No exceptions

¹⁰ Including cards used by school staff for either school operations or student activity fund operations.

¹¹ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

Travel and Travel-Related Expense Reimbursements¹² (excluding card transactions)

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:

Management represented the list obtained was complete.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions

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

No exceptions.

- c) Observe 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).

No exceptions

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

No exceptions.

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:

Management represented the list obtained was complete.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹³ (e.g., solicited quotes or bids, advertised), if required by law.

¹² Non-travel reimbursements are not required to be tested under this category.

¹³ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

Not applicable

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

No exceptions

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Not applicable

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions

Payroll and Personnel

- 16. Obtain a listing of employees and officials¹⁴ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Management represented the list obtained was complete.

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

- a) Observe all selected employees or officials¹⁵ documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions

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

No exceptions

¹⁴ "Officials" would include those elected, as well as board members who are appointed.

¹⁵ "Officials" would include those elected, as well as board members who are appointed.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions.

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

No exceptions.

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions

Ethics¹⁶

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

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

No exceptions.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions

Debt Service¹⁷

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

¹⁶ The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

¹⁷ This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

Not applicable

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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

Fraud Notice

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.

Management represented the list obtained is complete.

24. Observe the entity has posted, on its premises¹⁸ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁹

No exceptions

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

¹⁸ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁹ This notice is available for download or print at www.lfa.la.gov/hotline.

- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment²⁰

- 26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

There was no training done in 2021.

- 27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

This policy is not posted on the website or the premises.

- 28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

No reporting was completed.

- b) Number of sexual harassment complaints received by the agency;

Zero

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

Zero

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Zero

- e) Amount of time it took to resolve each complaint.

²⁰ A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

Not applicable

We were engaged by Bienville Parish Fire District #6 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of Bienville Parish Fire District #6 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

Wade & Perry

Ruston, LA
August 2, 2022

Bienville Parish Fire District #6
PO Box 190
Castor, LA 71016

August 2, 2022

Wade & Perry, CPAs
Ruston, LA

The following is Management's Response to the 2021 AUP report submitted for Bienville Parish Fire District #6.

WRITTEN POLICIES AND PROCEDURES

1. b) Management will work toward documenting a complete policy for purchasing.
- f) Management will work toward documenting a complete policy for contracts.
- h) Management will work toward documenting a complete policy for travel and expense reimbursements.
- i) Management will work toward documenting a complete ethics policy.
- j) Management will work toward documenting a debt service policy.
- k) Management will work toward documenting a complete information technology disaster recover/business continuity policy.
- l) Management will work toward documenting a complete policy for sexual harassment.

BOARD OR FINANCE COMMITTEE

2. b) Management will work toward referencing budget to actual comparisons.

BANK RECONCILIATIONS

3. a) Management will work toward showing evidence when they were prepared.
- b) Management will work toward showing evidence of who and when they are reviewed.
- c) Management will work toward documenting outstanding items over 12 months old have been researched.

NON-PAYROLL DISBURSEMENTS

9. c) Management will work toward implementing checks and balances for this procedure.
- d) Management will work toward implementing checks and balances for this procedure.

CREDIT CARDS/DEBIT CARDS, ETC.

13. (1) Management will work toward maintaining an itemized receipt for every purchase.
- (2) Management will work toward documenting business/public purpose.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

25. b) Management will test/verify that backups can be restored on the financial computer.
- c) Management does not currently pay for support of the software.

SEXUAL HARASSMENT

26. Management will work toward having all employees do their sexual harassment training each year.
27. Management will work toward adding the sexual harassment policy and complaint procedure to its website.
28. Management will work toward reporting its sexual harassment report.