Harold J. Rotunda
Certified Public Accountant

April 3, 2017

Governing Board
Mapleton Fire Department

Mapleton, ND

As part of my audit for the Mapleton Fire Department I reviewed the Internal Controls of the Department. This review was not to give an opinion on the system. The review did note the following items for the Board's review.

Minutes

All actions taken by the Board should be reflected in the Board minutes. In reviewing the minutes the documentation of those actions was incomplete. The Board needs to insure all actions, especially financial decisions, are recorded in the minutes.

Cash Disbursements

As part of the audit I reviewed cash disbursements. This review included reviewing canceled checks, invoices and board approval.

* There was no indication noted that some of the bills were approved for payment. Bills can be approved through the minutes with each bill listed with the amount approved or the Board members can physically sign off on each bill.

* During the invoice search I noticed there were several bills paid that the invoice was missing. Missing invoices can indicate the bill paid was not proper or the amount was incorrect. No bill should be paid with out proper support. This support can be the invoice from the vendor or an internal document approved by the Board.

* In reviewing the canceled checks I noted some checks were an authorized signer signed a check issued to themselves. No individual should sign a check issued to themself.

Cash receipts

In reviewing cash receipts there was little support for cash receipts and no detail of checks on the deposit tickets. This revenue is very difficult to control. At a minimum two individuals should be responsible for these funds. A record of who the money was received from through a cash receipts book should be implemented.

I would like to thank you for the opportunity to provide audit services to the Department. If you have any questions on the above points please contact me.

Sincerely,

Harold J. Rotunda CPA

MAPLETON VOLUNTEER FIRE DEPARTMENT
MAPLETON, NORTH DAKOTA

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Mapleton Volunteer Fire Department
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MAPLETON VOLUNTEER FIRE DEPARTMENT
LIST OF OFFICIALS
DECEMBER 31, 2015

Kayla Cross	Chief
Josh Bjerken	Assistant Chief
LeeRoy Bangert, Jr.	Captain
Stephanie Strand	Secretary/Treasurer

Harold J. Rotunda
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Governing Board
Mapleton Volunteer Fire Department
Mapleton, North Dakota

I have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund of the Mapleton Volunteer Fire Department, a component unit of the Barnes County as of and for the year ended December 31, 2015, 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, of the Mapleton Volunteer Fire Department as of December 31, 2015, and the changes in modified cash basis financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. My opinion is not modified with respect to that matter.

Other Matters

U.S. generally accepted accounting principles require that the management discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not 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. The District did not prepare a budget and has chosen to omit the management discussion and analysis.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The accompanying schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

West Fargo, North Dakota
April 30, 2016

405 West Main Avenue Box 816 West Fargo, ND 58078 Phone(701)281-0483 Cell 212-3908

MAPLETON FIRE DEPARTMENT
STATEMENT OF NET POSITION- CASH BASIS
DECEMBER 31, 2015

ASSETS	
Cash and investments	60,530.63
Total Assets	60,530.63
LIABILITIES	
Total liabilities	-
NET POSITION	
Unrestricted	60,530.63
Total Net Position	60,530.63

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

MAPLETON FIRE DEPARTMENT
STATEMENT OF ACTIVITIES- CASH BASIS
YEAR ENDED DECEMBER 31, 2015

		Program Revenues		Net (expense) Revenue & Change in Net Position
	Expenses	Charges for Services	Operating grants and Contributions	Governmental Activities
Governmental Activities:				
Public safety	69,332.59	-	6,213.41	(63,119.18)
Total Governmental Activities	69,332.59	-	6,213.41	(63,119.18)

General Revenues	
Property taxes	35,759.93
Interest income	71.09
NDIRF	9,618.14
Bingo	5,429.95
Other revenue	2,759.98
Total General Revenues	53,639.09
Change in Net Position	(9,480.09)
Net Position- Beginning	70,010.82
Net Position- Ending	60,530.73

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

MAPLETON FIRE DEPARTMENT
BALANCE SHEET- CASH BASIS- GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	GENERAL
ASSETS	
Cash and investments	60,530.63
Total Assets	60,530.63
LIABILITIES	
Total liabilities	-
NET POSITION	
Unassigned	60,530.63
Total Net Position	60,530.63

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

MAPLETON FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- CASH BASIS- GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	GENERAL
Property taxes	35,759.93
Grant income	6,213.41
Interest	71.09
Bingo	5,429.95
NDIRF	9,618.14
Miscellaneous	2,759.88
Total Revenues	59,852.40
Attendance points	1,508.00
Consultants	300.00
Uniform/turnout gear	7,448.22
Training	1,480.72
Supplies/fuel oil	327.28
Bingo	1,972.01
Other	
Equipment/repairs	10,623.11
Debt service	45,673.25
Total Expenditures	69,332.59
Net change in fund balances	(9,480.19)
Net Position- Beginning	70,010.82
Net Position- Ending	60,530.63

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

MAPLETON FIRE DEPARTMENT
STATEMENT OF NET POSITION- CASH BASIS
DECEMBER 31, 2014

ASSETS	
Cash and investments	70,010.82
Total Assets	70,010.82
LIABILITIES	
Total liabilities	-
NET POSITION	
Unrestricted	70,010.82
Total Net Position	70,010.82

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

MAPLETON FIRE DEPARTMENT
STATEMENT OF ACTIVITIES- CASH BASIS
YEAR ENDED DECEMBER 31, 2014

		Program Revenues		Net (expense) Revenue & Change in Net Position
	Expenses	Charges for Services	Operating grants and Contributions	Governmental Activities
Governmental Activities:				
Public safety	88,567.69	-	35,093.00	(53,474.69)
Total Governmental Activities	88,567.69	-	35,093.00	(53,474.69)
	General Revenues			
	Property taxes			38,500.31
	Interest income			43.11
	NDIRF			11,110.71
	Donations			-
	Other revenue			9,101.64
	Total General Revenues			58,755.77
	Change in Net Position			5,281.08
	Net Position- Beginning			64,729.74
	Net Position- Ending			70,010.82

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

MAPLETON FIRE DEPARTMENT
BALANCE SHEET- CASH BASIS- GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	GENERAL
ASSETS	
Cash and investments	70,010.82
Total Assets	70,010.82
LIABILITIES	
Total liabilities	-
NET POSITION	
Unassigned	70,010.82
Total Net Position	70,010.82

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

MAPLETON FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- CASH BASIS- GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	GENERAL
Property taxes	38,500.31
Intergovernmental	35,093.00
Interest	43.11
Charges for services	-
NDIRF	11,110.71
Miscellaneous	9,101.64
Total Revenues	93,848.77
Attendance points	1,403.95
Consultants	1,325.00
Uniform/turnout gear	32,982.01
Training	15,306.00
Supplies/fuel oil	2,697.46
Bingo/street dance	3,246.69
Other	913.83
Equipment/repairs	20,989.99
Debt service	9,702.76
Total Expenditures	88,567.69
Net change in fund balances	5,281.08
Net Position- Beginning	64,729.74
Net Position- Ending	70,010.82

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

MAPLETON VOLUNTEER FIRE DEPARTMENT
MAPLETON, NORTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Mapleton Volunteer Fire Department, a component unit of the Barnes County (District) have been prepared on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of the District, a component unit of the Barnes County. The District has considered all potential component units for which the District is financially accountable and other organizations for which the nature and significance of their relationships with the District such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District.

Based on these criteria, there are no component units. The Mapleton Volunteer Fire Department is a component unit of the Barnes County.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide statements: The statement of net assets and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity, Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenses/expenditures. Funds are organized into one major categories: governmental. The District currently has no proprietary or fiduciary funds.

The District reports the following major governmental funds:

General Fund. The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements. In the government-wide Statement of Net Assets and the Statement of Activities, activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

In the government-wide Statement of Net Assets and the Statement of Activities, activities are presented using a modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues and expenditures when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

All governmental funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D. Budgets

The District does not prepare a budget.

E. Cash and Investments

Cash includes amounts in demand deposits and money market accounts. Deposits must either be deposited with the Bank of North Dakota or in other financial institution situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities equal to 110% of the uninsured balance.

State statutes authorize the District to invest in:
(1) Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress. (2) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above. (3) Certificates of Deposit fully insured by the federal deposit insurance corporation or the state. (4) Obligations of the state.

Investments consist of certificates of deposits stated at cost.

F. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

ASSETS	YEARS
Permanent Buildings	50
Vehicles and equipment	10

G. Long-Term Obligations

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums, discounts and issuance costs are recognized in the current period since the amounts are not material.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

H. Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the District council-the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, the District's preference is to first use restricted resources, then unrestricted resources-committed, assigned, and unassigned-in order as needed.

The council has set a General Fund minimum fund balance target at 10% of expenditures and recurring transfers.

I. Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. In the government-wide financial statements, interfund transactions have been eliminated.

J. Use of estimates

The preparation of financial statements in conformity with the Other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

NOTE 2: LEGAL COMPLIANCE - BUDGETS

BUDGET AMENDMENTS
The Council did not amend the District budget for 2015.

EXPENDITURES OVER APPROPRIATIONS
The District did not overspend the General Fund budget. No remedial action is required.

NOTE 3 DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is risk associated with the failure of a depository financial institution to recover its deposits or collateralized securities that are in the possession of outside parties. The District does not have a formal policy that addresses custodial credit risk for deposits. However, in accordance with state statutes, the District maintains deposits at those depository banks and savings and loans authorized by the District, all of which are covered by federal deposit insurance. These statutes also require that the deposits be protected by insurance, collateral or surety bond. The fair value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. As of December 31, 2015, the District's deposits were either fully insured or properly collateralized, and have no custodial risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of debt security typically moves in the opposite direction of the change in interest rate. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates. As of December 31, 2015, the District had no debt securities investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal investment policy that specifically addresses credit risk. As of December 31, 2015, the District had no debt securities investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer. As of December 31, 2015, the District had no debt securities investments.

NOTE 4: TAXES RECEIVABLE

Taxes receivable represents the past three years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes receivable.

The county treasurer acts as and agent to collect property taxes levied in the county for all taxing authorities. Any material tax collections are distributed after the end of each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount on property taxes is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed.

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

NOTE 5: CAPITAL ASSETS

The District does not have any assets that meet the capitalization criteria.

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters

In 1986 state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The District pays an annual premium to NDIRF for its general liability and automobile insurance coverage. The coverage by NDIRF is limited to losses of one million dollars per occurrence.

The State Bonding Fund currently provides the District with blanket fidelity bond coverage in the amount of $1,000,000 for its employees. The State Bonding fund does not currently charge any premium for this coverage.

The District has commercial insurance for personal property, building, inland marine, and boiler and machinery.