

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2020

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

Annual Financial Statements
as of and for the Year Ended December 31, 2020
with Supplementary Information Schedules

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CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA

Annual Financial Statements
 as of and for the Year Ended December 31, 2020
 with Supplementary Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Concordia Fire Protection District No. 2
Vidalia, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2 (the District), a component unit of Concordia Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2, as of December 31, 2020, 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, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 4 through 7 and pages 24 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary 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, Reimbursements, Benefits, and Other Payments to the Agency Head and the Schedule of Compensation Paid to Board Members are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to the Agency Head and the Schedule of Compensation Paid to Board Members are the responsibility of management and were derived from and relate 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, reimbursements, benefits, and other payments to the agency head and the schedule of compensation paid to board members are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021, on our consideration of Concordia Fire Protection District No. 2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Concordia Fire Protection District No. 2's internal control over financial reporting and compliance.

Handwritten signature of Silas Simmons, LLP in cursive script.

Natchez, Mississippi
June 18, 2021

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

INTRODUCTION

Our discussion and analysis of Concordia Fire Protection District No. 2 of Concordia Parish, Louisiana's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2020.

The District's boundaries are all of Concordia Parish except inside of the corporate limits of any municipality in Concordia Parish and inside of Monterey Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$1,095,904 and \$1,213,293 at December 31, 2020 and 2019, respectively.
- Total expenditures exceeded revenues by \$117,389 and \$119,423 at December 31, 2020 and 2019, respectively.
- The District had net capital assets of \$514,058 and \$668,487 at December 31, 2020 and 2019, respectively.
- The total payroll was \$242,912 and \$257,742 at December 31, 2020 and 2019, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

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 or 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 information showing how the District's net position changed during the most recent fiscal year.

The government-wide financial statements outline functions of the District that are principally supported by property taxes. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 8 through 9 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 basic governmental fund financial statements can be found on pages 10 through 13 of this report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

OVERVIEW OF FINANCIAL STATEMENTS (continued)

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. The notes to the financial statements can be found on pages 14 through 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents a condensed Statement of Net Position as of December 31, 2020 and 2019:

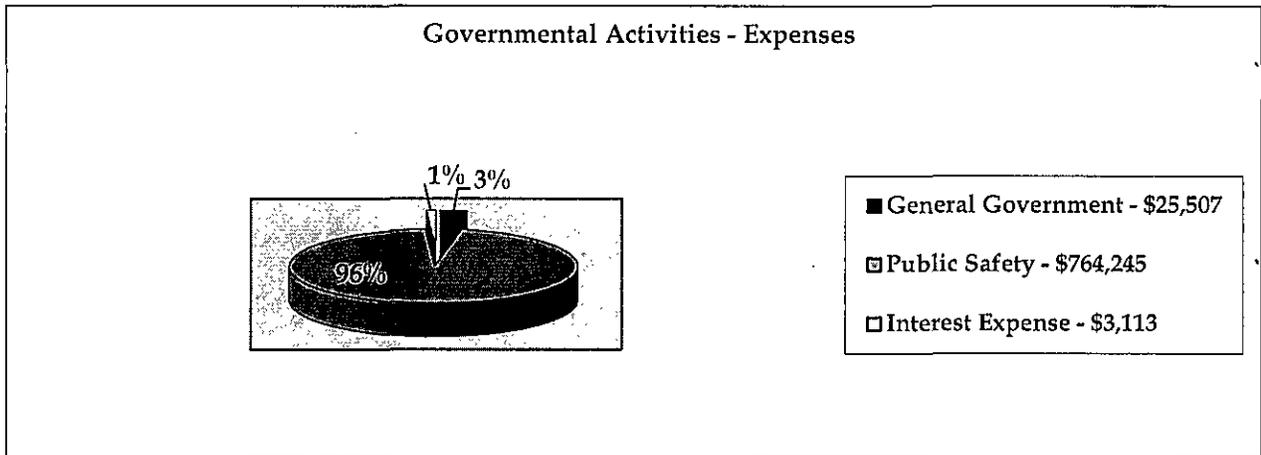
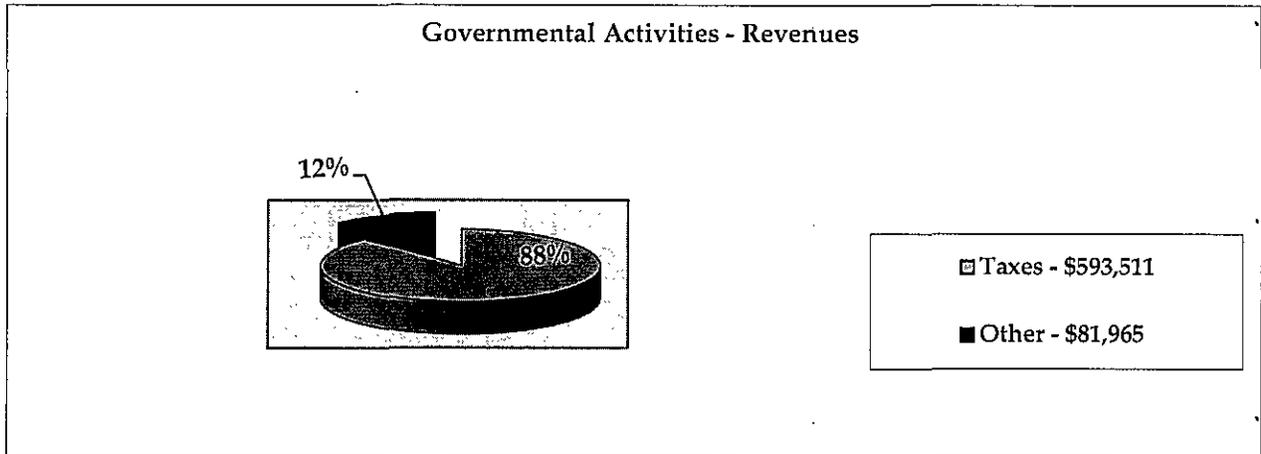
	<u>2020</u>	<u>2019</u>
Assets		
Current assets	\$ 796,964	\$ 838,381
Capital assets, net	<u>514,058</u>	<u>668,487</u>
Total assets	<u>\$ 1,311,022</u>	<u>\$ 1,506,868</u>
Deferred outflows of resources	<u>\$ 81,312</u>	<u>\$ 59,055</u>
Liabilities and Net Position		
Current liabilities	\$ 39,589	\$ 127,559
Noncurrent liabilities	<u>240,587</u>	<u>208,027</u>
Total liabilities	<u>\$ 280,176</u>	<u>\$ 335,586</u>
Deferred inflows of resources	<u>\$ 16,254</u>	<u>\$ 17,044</u>
Net Position		
Investment in capital assets, net of related debt	\$ 514,058	\$ 586,194
Unrestricted	<u>581,846</u>	<u>627,099</u>
Total net position	<u>\$ 1,095,904</u>	<u>\$ 1,213,293</u>

The following is a summary of the Statement of Activities for 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Revenues		
Taxes	\$ 593,511	\$ 588,997
Interest income	300	649
Miscellaneous	<u>81,665</u>	<u>69,322</u>
Total revenues	<u>\$ 675,476</u>	<u>\$ 658,968</u>
Expenses		
Salaries and related costs	\$ 242,912	\$ 257,742
General administrative	25,507	21,926
Depreciation	157,840	194,200
Other public safety	363,493	298,367
Interest expense	<u>3,113</u>	<u>6,156</u>
Total expenses	<u>\$ 792,865</u>	<u>\$ 778,391</u>
Decrease in net position	<u>\$ (117,389)</u>	<u>\$ (119,423)</u>
Net position, beginning of year	<u>\$ 1,213,293</u>	<u>\$ 1,332,716</u>
Net position, end of year	<u>\$ 1,095,904</u>	<u>\$ 1,213,293</u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

The following are graphical representations of information presented in the statement of activities for governmental activities in 2020:



GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget was amended once during the last year.

The actual general fund expenditures were \$2,923 less than budgeted amounts.

Revenues were \$10 less than budgeted amounts.

**CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CAPITAL ASSETS

At the end of the year, the District had capital assets of \$4,035,806, including land, buildings, furniture, fire-fighting equipment, and vehicles. Accumulated depreciation was \$3,521,748 at year-end. More detailed information about the District's capital assets is presented in Note 4 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taking all factors into consideration, the District's general fund balance is expected to remain unchanged by the close of 2020.

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 the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Vick Brown, Fire Chief, Post Office Box 1150, Vidalia, Louisiana 71373, (318) 336-4658.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS

Current assets

Cash and cash equivalents	\$ 200,361
Prepays	35,471
Accounts receivable	<u>561,132</u>
Total assets	<u>\$ 796,964</u>

Capital assets

Capital assets, net of accumulated depreciation	\$ 514,058
Total capital assets	<u>\$ 514,058</u>

Total assets \$ 1,311,022

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources \$ 81,312

LIABILITIES

Current liabilities

Accounts payable and accrued expenses	\$ 39,589
Total current liabilities	<u>\$ 39,589</u>

Long-term liabilities

Net pension liability	\$ 240,587
Total long-term liabilities	<u>\$ 240,587</u>

Total liabilities \$ 280,176

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources \$ 16,254

NET POSITION

Invested in capital assets	\$ 514,058
Unrestricted	<u>581,846</u>
Total net position	<u>\$ 1,095,904</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

GENERAL REVENUES

Taxes - ad valorem	\$ 593,511
Interest income	300
Miscellaneous revenues	<u>81,665</u>
Total general revenues	<u>\$ 675,476</u>

GENERAL EXPENSES

Governmental activities	
General government	\$ 25,507
Public safety	764,245
Interest expense	<u>3,113</u>
Total general expenses	<u>\$ 792,865</u>

Change in net position	<u>\$ (117,389)</u>
------------------------	---------------------

Net position, beginning of year	<u>\$ 1,213,293</u>
Net position, end of year	<u><u>\$ 1,095,904</u></u>

The accompanying notes are an integral part of this financial statement.

SECTION III
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 200,361
Prepays	35,471
Receivables, net	<u>561,132</u>
Total current assets	<u>\$ 796,964</u>

LIABILITIES AND FUND BALANCES

Current liabilities	
Accounts payable	<u>\$ 39,589</u>
Fund balance	
Unassigned	<u>\$ 757,375</u>
Total fund balance	<u>\$ 757,375</u>
Total liabilities and fund balance	<u>\$ 796,964</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total Fund Balance – Governmental Fund (Statement C)	\$	757,375
<p>Amounts reported for governmental activities in the statement of net position (government-wide financial statements) are different because:</p>		
<p>Capital assets used by governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p>		
Capital assets	\$	4,035,806
Less accumulated depreciation		<u>(3,521,748)</u>
		514,058
<p>Deferred outflows and inflows are not financial resources or currently payable.</p>		
Deferred outflows	\$	81,312
Deferred inflows		<u>(16,254)</u>
		65,058
<p>Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:</p>		
Net pension liability	\$	<u>(240,587)</u>
		<u>(240,587)</u>
Total Net Position of Governmental Activities (Statement A)	\$	<u>1,095,904</u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

GENERAL REVENUES

Taxes - ad valorem	\$ 593,511
Interest income	300
Other revenues	<u>81,665</u>
Total revenues	<u>\$ 675,476</u>

GENERAL EXPENDITURES

Governmental activities	
General government	\$ 25,507
Public safety - fire	596,892
Capital outlay	3,411
Debt service	
Principal	82,293
Interest	<u>3,113</u>
Total expenditures	<u>\$ 711,216</u>

Net change in fund balance	<u>\$ (35,740)</u>
Fund balance, beginning of year	<u>\$ 793,115</u>
Fund balance, end of year	<u><u>\$ 757,375</u></u>

The accompanying notes are an integral part of this financial statement.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Net Changes in Fund Balance - Governmental Fund (Statement E)	\$	(35,740)
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Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount by which depreciation expense exceeds capital outlays expense in the period:

Depreciation expense	\$	(157,840)	
Capital outlay		<u>3,411</u>	(154,429)

Net pension expense is reported in governmental funds as expenditures as they are paid. However, in the statement of activities, the net pension expense is reported according to estimates required by GASB 68.

Pension expenses paid	\$	31,833	
Pension expenses per GASB 68		<u>(41,346)</u>	(9,513)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Proceeds from loans are a revenue in the governmental funds, but increase long-term debt in the statement of net position.

Repayment of loans		<u>82,293</u>
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Change in net position per Statement of Activities (Statement B)	\$	<u>(117,389)</u>
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NOTES TO FINANCIAL STATEMENTS

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INTRODUCTION

1. Concordia Fire Protection District No. 2 was created October 9, 1989, by the Concordia Parish Police Jury by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes.
2. The purpose of the District is to provide fire protection.
3. The District's boundaries are all of Concordia Parish except inside of the corporate limits of any municipality in Concordia Parish and inside of Monterey Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.
4. A Board of Supervisors appointed by the Concordia Parish Police Jury governs the District. The Board members are paid \$50 per meeting.
5. The District has one full-time employee and eleven part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

The District does not possess all the corporate powers necessary to make it a legally separate entity from the Concordia Parish Police Jury, which holds the District's corporate powers. For this reason, the District is a component unit of the Concordia Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus/Basis of Accounting (continued)

Fund Financial Statements

The amounts reflected in the Balance Sheet - Governmental Funds (Statement C) and the Statement of Revenues, Expenditures, and Changes In Fund Balance (Statement E) are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the Government-Wide Financial Statements. These adjustments are summarized in the financial statements at Statements D and F.

The amounts reflected in the fund financial statements use the accrual basis of accounting. Under the 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 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.

D. Fund Accounting

Governmental Funds

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

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

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

E. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Receivables and Payables

All trade and property tax receivables are shown net of allowance for uncollectibles.

Property taxes are levied on a calendar-year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes for 2020:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Fire protection maintenance	6.77 mills	6.83 mills

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	10-15 years

H. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Vacation: After one year, an employee receives 18 calendar days vacation. After 10 years, an employee receives one extra day vacation for each year of service over 10 years, up to a maximum of 30 days.

Sick leave: An employee is required to have a doctor's excuse for absences in excess of three days.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Equity

Beginning with fiscal year 2013, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The District establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the District through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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.

L. Budget Practices

A proposed operating budget for the general fund, prepared on the modified accrual basis of accounting, is approved by the District and adopted in accordance with the Local Government Budget Law. The proposed operating budget is legally adopted and amended, as necessary, by the District. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device. Budget amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments, if any.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2020, the District had cash and cash equivalents (book balances) totaling \$200,361. The cash was held in interest-bearing demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

At December 31, 2020, the District had \$205,788 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$545,595 in pledge securities.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 - RECEIVABLES

The receivables of \$561,132 at December 31, 2020, are as follows:

Ad valorem taxes	\$ 561,132
Less allowance for doubtful accounts	<u> -</u>
Total receivables	<u>\$ 561,132</u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2020, are as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated				
Buildings	\$ 516,535	\$ -	\$ -	\$ 516,535
Equipment	<u>3,515,860</u>	<u>3,411</u>	<u>-</u>	<u>3,519,271</u>
Total capital assets being depreciated	<u>\$ 4,032,395</u>	<u>\$ 3,411</u>	<u>\$ -</u>	<u>\$ 4,035,806</u>
Less accumulated depreciation for:				
Buildings	\$ (352,587)	\$ (12,794)	\$ -	\$ (365,381)
Equipment	<u>(3,011,321)</u>	<u>(145,046)</u>	<u>-</u>	<u>(3,156,367)</u>
Total accumulated depreciation	<u>\$ (3,363,908)</u>	<u>\$ (157,840)</u>	<u>\$ -</u>	<u>\$ (3,521,748)</u>
Total capital assets being depreciated, net	<u>\$ 668,487</u>	<u>\$ (154,429)</u>	<u>\$ -</u>	<u>\$ 514,058</u>

Depreciation expense of \$157,840 for the year ended December 31, 2020, was charged to the public safety functions.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable at December 31, 2020, are as follows:

Accounts	\$ 35,471
Payroll taxes and retirement	<u>4,118</u>
Total	<u>\$ 39,589</u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 - GENERAL DEBT

The following is a summary of the debt transactions for the year ended December 31, 2020:

Payable at January 1, 2020	\$ 82,293
Principal paid	<u>(82,293)</u>
Payable at December 31, 2020	<u>\$ -</u>

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS

Plan Description - The District contributes to the Firefighters' Retirement System. The Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. The Plan is administered by a board of trustees. The Plan provides retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Louisiana Revised Statutes 11:2551 et seq. grants the board of trustees the authority to establish and amend benefit provisions of the Plan.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the District reported a liability of \$240,587 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was .034709%.

For the year ended December 31, 2020, the District recognized pension expense of \$45,492 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$4,146. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 15,393
Changes of assumptions	23,256	-
Net difference between projected and actual earnings on pension plan investments	26,495	-
Changes in proportion and differences between District contributions and proportionate share of contributions	19,193	861
District contributions subsequent to the measurement date	<u>12,368</u>	<u>-</u>
Total	<u>\$ 81,312</u>	<u>\$ 16,254</u>

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$12,368 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2021	\$	7,901
2022		15,176
2023		14,325
2024		9,378
2025		4,099
2026		<u>1,812</u>
	\$	<u>52,691</u>

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal Cost
Estimated remaining service life	7 years, closed period
Investment rate of return	7.00% per annum (net of investment expenses, including inflation)
Inflation rate	2.500% per annum
Salary increase	Vary from 14.10% in the first 2 years of service and 5.20% after 3 or more years of service; includes inflation and merit increases.
Cost-of-living adjustments	Only those previously granted

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2020. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long term standard deviation and then reduced the assumption by the long term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2020.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The actuary's method integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Type		Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	26.00%	5.72%
	Non-U.S. Equity	12.00%	6.24%
	Global Equity	10.00%	6.23%
	Emerging Market Equity	6.00%	8.61%
Fixed Income	U.S. Core Fixed Income	26.00%	1.00%
	Emerging Market Debt	5.00%	3.40%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	4.22%
	Risk Parity	0.00%	4.22%
Alternatives	Real Estate	6.00%	4.20%
	Private Equity	9.00%	10.29%
		<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rates and that contributions from participating employers and non-employer entities will be made at the actuarially determined rates approved by the Board of Trustees and PRSAC, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	Changes in Discount Rate 2020		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
	Net Pension Liability	\$ 347,526	\$ 240,587

The mortality rate assumptions were updated in fiscal year 2020 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation. For the June 30, 2020 valuation, assumptions for mortality rates were based on and set equal to the Pub-2010 Public Retirement Plans Morality Tables. In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

The retirement system issues publicly available financial reports that include financial statements and required supplementary information for the Plan. The financial reports may be obtained from:

Firefighters' Retirement System
 Post Office Box 94095, Capital Station
 Baton Rouge, Louisiana 70804-9095

Funding Policy - Plan members are required to contribute 10% of their annual covered salary, and the District is required to contribute at an actuarially determined rate. The District's rate is 27.75% of annual covered payroll as of December 31, 2020. The District's contribution to the Plan for the years ending December 31, 2020 and 2019, was \$24,522 and \$22,584, respectively.

NOTE 8 - RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

SECTION IV
REQUIRED SUPPLEMENTARY INFORMATION

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (CASH BASIS) - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budget Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>				
Taxes - ad valorem	\$ 505,000	\$ 579,452	\$ 579,452	\$ -
Interest income	-	300	300	-
Other revenues	45,400	81,675	81,665	(10)
Total revenues	<u>\$ 550,400</u>	<u>\$ 661,427</u>	<u>\$ 661,417</u>	<u>\$ (10)</u>
<u>EXPENDITURES</u>				
Governmental expenses:				
General government	\$ 24,500	\$ 25,734	\$ 25,507	\$ 227
Public safety - fire	642,827	596,686	593,990	2,696
Capital outlay	90,000	3,411	3,411	-
Debt service				
Principal	77,000	82,293	82,293	-
Interest	9,500	3,113	3,113	-
Total expenditures	<u>\$ 843,827</u>	<u>\$ 711,237</u>	<u>\$ 708,314</u>	<u>\$ 2,923</u>
Excess of revenues over (under) expenditures	<u>\$ (293,427)</u>	<u>\$ (49,810)</u>	<u>\$ (46,897)</u>	<u>\$ 2,913</u>
Fund balance, beginning of year	<u>\$ 247,258</u>	<u>\$ 247,258</u>	<u>\$ 247,258</u>	<u>\$ -</u>
Fund balance, end of year	<u>\$ (46,169)</u>	<u>\$ 197,448</u>	<u>\$ 200,361</u>	<u>\$ 2,913</u>

See Independent Auditor's Report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED DECEMBER 31, 2020

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original and final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund.

	<u>General Fund</u>
Net change in fund balance - budget basis	\$ (46,897)
Increase	
Net adjustments for revenue accruals	14,059
Net adjustments for expenditure accruals	<u>(2,902)</u>
Net change in fund balance - GAAP basis	<u>\$ (35,740)</u>

See Independent Auditor's Report.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FIREFIGHTERS' RETIREMENT SYSTEM

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	.034709%	.033221%	.031229%	.030992%	.029641%	.029311%
District's proportionate share of the net pension liability (asset)	\$ 240,587	\$ 208,027	\$ 179,632	\$ 177,641	\$ 193,879	\$ 158,195
District's covered-employee payroll	\$ 85,222	\$ 75,363	\$ 67,342	\$ 71,380	\$ 62,289	\$ 62,289
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	282.31%	244.10%	238.36%	263.79%	271.62%	253.97%
Plan fiduciary net position as a percentage of the total pension liability	72.61%	73.96%	74.76%	73.55%	78.16%	72.45%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

FIREFIGHTERS' RETIREMENT SYSTEM

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 24,522	\$ 22,584	\$ 19,971	\$ 18,977	\$ 18,737	\$ 17,597
Contributions in relation to the contractually required contribution	<u>(24,522)</u>	<u>(22,584)</u>	<u>(19,971)</u>	<u>(18,977)</u>	<u>(18,737)</u>	<u>(17,597)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$ 82,149	\$ 85,222	\$ 75,363	\$ 67,342	\$ 71,380	\$ 62,289
Contributions as a percentage of covered-employee payroll	26.50%	26.50%	26.50%	28.14%	26.25%	28.25%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

SECTION V
OTHER SUPPLEMENTARY INFORMATION

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head Name: Judy Pugh, Chairman

Service Period: 12 months

Purpose

Board per diem \$ 600

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2020

Dempsey Hillen	\$	600
Dorothy Dew		600
Harvey Cowan		600
Judy Pugh		600
Virgil Barnes		600
	<u>\$</u>	<u>3,000</u>

See Independent Auditor's Report.

SECTION VI
REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



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

Members of the Board of Supervisors
Concordia Fire Protection District No. 2
Vidalia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Concordia Fire Protection District No. 2, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Concordia Fire Protection District No. 2's basic financial statements and have issued our report thereon dated June 18, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Concordia Fire Protection District No. 2's internal control over financial reporting (internal control) as a basis for determining 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 Concordia Fire Protection District No. 2's internal control. Accordingly, we do not express an opinion on the effectiveness of Concordia Fire Protection District No. 2's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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, we identified a deficiency in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2020-1 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Fire Protection District No. 2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Concordia Fire Protection District No. 2's Response to Findings

Concordia Fire Protection District No. 2's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Concordia Fire Protection District No. 2'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 results 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.



Natchez, Mississippi
June 18, 2021

**SECTION VII
SCHEDULE OF FINDINGS**

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section 1: Summary of Auditor's Report

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements: | |
| Governmental activities | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes |
| 3. Noncompliance material to the primary government financial statements? | No |

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 VIDALIA, LOUISIANA
 SUMMARY OF PRIOR YEAR FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2019

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I – Internal Control and Compliance Not Material to the Financial Statements:				
2019-1	2005	We noted the District does not have adequate segregation of duties in its operations. One individual is responsible for practically every accounting function including record-keeping, check-writing, making deposits, check-signing, and reconciling bank accounts.	No	This finding continues in the current year as 2020-1.

Section II – Internal Control and Compliance Material to the Federal Awards:

None

Section III – Management Letter:

None

CONCORDIA FIRE PROTECTION DISTRICT NO. 2
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
VIDALIA, LOUISIANA
STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS,
AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2020

Ref. No.	Description of Finding
Section I - Internal Control and Compliance Material to the Financial Statements:	
2020-1	<p>Segregation of Duties (Internal Control)</p> <p>Condition: Due to the small size of the District and the lack of segregation of duties from employees, many important elements of good internal controls cannot be implemented to ensure adequate protection of the District's assets.</p> <p>Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving, and check-writing.</p> <p>Cause of Condition: The small size of the entity and lack of employees.</p> <p>Effect of Condition: Material weakness in internal controls.</p> <p>Recommendation: We recommend that management continue to provide the necessary oversight in its internal control procedures, specifically in the areas of cash receipts, recording of transactions, deposits, and review of checks written.</p> <p>Corrective Action and Client Response: Management indicates that it is not feasible or cost efficient to provide the internal control that a larger organization could provide. Management will continue to provide the necessary oversight in its current internal control procedures in order to safeguard assets.</p>

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter

None