

Financial Report

*Schriever Fire Protection District
Schriever, Louisiana*

December 31, 2020

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December 31, 2020

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December 31, 2020

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Schriever Fire Protection District,
Schriever, Louisiana.

We have audited the accompanying financial statements of the governmental activities and each major fund of Schriever Fire Protection District, (the "District"), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, 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 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 of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Schriever Fire Protection District as of December 31, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund 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 Management's Discussion and Analysis on pages 4 through 10, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 41 and the Schedule of the District's Contributions on page 42 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 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 accompanying supplementary information on page 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2021 on our consideration of Schriever Fire Protection District's internal control over financial reporting and 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 the 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.

A handwritten signature in cursive script that reads "Bougeois Bennett, L.L.C.".

Certified Public Accountants.

Houma, Louisiana,
June 22, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Schriever Fire Protection District

December 31, 2020

Management's Discussion and Analysis of the Schriever Fire Protection District's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$3,762,406 (net position), which represents a 39.42% increase from last fiscal year.

The District's revenue increased \$881,884 (or 58.93%) primarily due to the increase in ad valorem taxes.

The District's expenses increased \$150,872 (or 12.96%) primarily due to increases in public safety expenditures.

The District did not have a deficit fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis (this section), (2) financial statements; and (3) various governmental compliance reports and schedules by certified public accountants and management.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The financial statements include two kinds of statements that present different views of the District:

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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference 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 each fiscal year. All changes in net position are 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 governmental activity of the District is public safety.

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. All of the funds of the District are 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. 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. Both the Governmental Fund Balance Sheet and the 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 two individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Debt Service Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 15 of this report.

OVERVIEW OF THE 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 in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2020, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,762,406. A large portion of the District's net position (38.55%) reflects its investment in capital assets (e.g., land, buildings, improvements, office furniture, fixtures, and equipment; vehicles, machinery and equipment (includes fire trucks). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>December 31,</u>		<u>Dollar</u>
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current and other assets	\$4,645,378	\$4,442,193	\$ 203,185
Capital assets	3,583,645	2,943,706	639,939
Deferred outflows of resources	83,415	-	83,415
Total assets and deferred outflows of resources	<u>8,312,438</u>	<u>7,385,899</u>	<u>926,539</u>
Current and other liabilities	36,626	31,855	4,771
Long-term liabilities	2,215,952	2,331,293	(115,341)
Deferred inflows of resources	2,297,454	2,324,060	(26,606)
Total liabilities and deferred inflows of resources	<u>4,550,032</u>	<u>4,687,208</u>	<u>(137,176)</u>
Net position:			
Net investment in capital assets	1,450,347	616,798	833,549
Restricted	443,757	287,276	156,481
Unrestricted	1,868,302	1,794,617	73,685
Total net position	<u>\$3,762,406</u>	<u>\$2,698,691</u>	<u>\$ 1,063,715</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities increased the District's net position by \$1,063,715. Key elements of this increase appear below:

Condensed Statements of Activities

	<u>December 31,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Percent</u>
				<u>Change</u>
Revenues				
Taxes	\$ 2,294,537	\$ 1,386,059	\$ 908,478	65.54%
Intergovernmental	75,978	75,712	266	0.35%
Miscellaneous	7,856	34,716	(26,860)	-77.37%
Total revenues	<u>2,378,371</u>	<u>1,496,487</u>	<u>881,884</u>	58.93%
Expenses				
General government	85,596	42,038	43,558	103.62%
Public safety	1,134,749	1,021,721	113,028	11.06%
Debt service	94,311	100,025	(5,714)	-5.71%
Total expenses	<u>1,314,656</u>	<u>1,163,784</u>	<u>150,872</u>	12.96%
Increase in net position	1,063,715	332,703	731,012	219.72%
Net position, beginning of year	<u>2,698,691</u>	<u>2,365,988</u>	<u>332,703</u>	14.06%
Net position, end of year	<u>\$ 3,762,406</u>	<u>\$ 2,698,691</u>	<u>\$ 1,063,715</u>	39.42%

In 2020, the District's ad valorem tax revenue increased due to increased millages and assessments within the District. Public safety expenses increased from increases in personal services due to increased employee headcount and participation in the Firefighters' Retirement System of Louisiana beginning in fiscal year 2020.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,345,210 which is an increase of \$228,599 in comparison with the prior year. An unassigned fund balance of \$1,872,474 is available for spending at the District's discretion. The remainder of fund balance is restricted for debt service to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance of the General Fund was \$1,872,474 which was unassigned. The fund balance of the District's General Fund increased by \$73,472 during the current fiscal year.

General Fund Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Expenditures

- Personal services increased to more accurately reflect anticipated expenditures.
- Supplies and materials decreased to more accurately reflect anticipated expenditures.
- Other services and charges and repairs and maintenance decreased to more accurately reflect anticipated expenditures.
- Capital outlay increased to more accurately reflect anticipated capital purchases.

For the year, actual revenues and expenditures were less than budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The District's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$3,583,645 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, and improvements, office furniture, fixtures and equipment; vehicles, machinery, and equipment.

	<u>2020</u>	<u>2019</u>
Land	\$ 413,477	\$ 230,000
Construction in progress	850,608	-
Buildings and improvements	1,902,328	1,902,328
Office furniture, fixtures, and equipment	35,672	42,238
Vehicles, machinery, and equipment	<u>4,317,986</u>	<u>4,329,681</u>
Totals	<u>\$ 7,520,071</u>	<u>\$ 6,504,247</u>

Major capital asset events during the current fiscal year included the following:

- Purchase of land for \$183,477.
- Purchase of office furniture and equipment for \$7,349.
- Purchase of various machinery and equipment for \$41,273.
- Included in construction in progress is the purchase of a fire apparatus for \$829,511 and the design and engineering for concrete driveways and roads of \$21,097.

Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

Long-term Obligations

As of December 31, 2020, the District had \$1,990,000 in general obligation bonds outstanding, a decrease of \$125,000 that represents the principal payment during 2020. The bonds are rated A-, with a stable outlook, by Standard and Poor's Rating Services. The District has capital lease obligations in the amount of \$143,298. Also, the District recognized an increase of \$1,162 in compensated absences payable. More detailed information about the District's long-term obligations is presented in Note 7, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2020 assessment, which the District will receive, for the most part, in January 2021.
- Operating expenditures are anticipated to rise with the rise in cost for almost all aspects of basic operations.
- Capital purchases budgeted include a training field, along with property improvements which will include roads and necessary improvements to complete the training field. Also, included in the capital outlay budget is upgrades for various equipment.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Schriever Fire Protection District, 1529 West Park Avenue, P.O. Box 83, Schriever, LA 70395.

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**Schriever Fire Protection District**

December 31, 2020

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
Assets					
Cash and cash equivalents	\$ 1,914,964	\$ 475,924	\$ 2,390,888	\$ -	\$ 2,390,888
Receivables - taxes	647,101	65,079	712,180	-	712,180
Due from other governments	1,405,604	136,706	1,542,310	-	1,542,310
Capital assets:					
Non-depreciable	-	-	-	1,264,085	1,264,085
Depreciable, assets, net of accumulated depreciation	-	-	-	2,319,560	2,319,560
Total assets	<u>3,967,669</u>	<u>677,709</u>	<u>4,645,378</u>	<u>3,583,645</u>	<u>8,229,023</u>
Deferred Outflows of Resources					
Pensions	-	-	-	83,415	83,415
Total assets and deferred outflows of resources	<u>\$ 3,967,669</u>	<u>\$ 677,709</u>	<u>\$ 4,645,378</u>	<u>\$ 3,667,060</u>	<u>\$ 8,312,438</u>
Liabilities					
Accounts payables and accrued expenditures	\$ 7,647	\$ -	\$ 7,647	\$ 28,979	\$ 36,626
Long-term liabilities:					
Due within one year	-	-	-	200,617	200,617
Due after one year	-	-	-	2,015,335	2,015,335
Total liabilities	<u>7,647</u>	<u>-</u>	<u>7,647</u>	<u>2,244,931</u>	<u>2,252,578</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	2,087,548	204,973	2,292,521	-	2,292,521
Pensions	-	-	-	4,933	4,933
Total deferred inflows of resources	<u>2,087,548</u>	<u>204,973</u>	<u>2,292,521</u>	<u>4,933</u>	<u>2,297,454</u>
Total liabilities and deferred inflows of resources	<u>\$ 2,095,195</u>	<u>\$ 204,973</u>	<u>\$ 2,300,168</u>	<u>\$ 2,249,864</u>	<u>\$ 4,550,032</u>
Fund Balances/Net Position					
Fund balances:					
Restricted - debt service	\$ -	\$ 472,736	\$ 472,736	\$ (472,736)	\$ -
Unassigned	1,872,474	-	1,872,474	(1,872,474)	-
Total fund balances	<u>1,872,474</u>	<u>472,736</u>	<u>2,345,210</u>	<u>(2,345,210)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,967,669</u>	<u>\$ 677,709</u>	<u>\$ 4,645,378</u>		
Net position:					
Net investment in capital assets				1,450,347	1,450,347
Restricted:					
Debt service				443,757	443,757
Unrestricted				1,868,302	1,868,302
Total net position				<u>\$ 3,762,406</u>	<u>\$ 3,762,406</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Schriever Fire Protection District

December 31, 2020

Fund Balances - Governmental Fund	\$ 2,345,210
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Capital assets	\$ 7,520,071
Less accumulated depreciation	<u>(3,936,426)</u>
	3,583,645
Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental funds.	
Pensions	83,415
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(1,990,000)
Capital lease obligations	(143,298)
Net pension liability	(77,107)
Accrued interest payable	(28,979)
Compensated absences	<u>(5,547)</u>
	(2,244,931)
Deferred inflows of resources are not due and payable in the current period and therefore, are not reported in governmental funds.	
Pensions	<u>(4,933)</u>
Net Position of Governmental Activities	<u><u>\$ 3,762,406</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Schriever Fire Protection District

For the year ended December 31, 2020

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Revenues					
Taxes	\$ 1,912,118	\$ 382,419	\$ 2,294,537	\$ -	\$ 2,294,537
Intergovernmental:					
State of Louisiana:					
State revenue sharing	34,155	-	34,155	-	34,155
Fire insurance tax	41,823	-	41,823	-	41,823
Miscellaneous:					
Investment income	1,414	-	1,414	-	1,414
Miscellaneous	5,000	1,442	6,442	-	6,442
Total revenues	<u>1,994,510</u>	<u>383,861</u>	<u>2,378,371</u>	<u>-</u>	<u>2,378,371</u>
Expenditures/Expenses					
Current:					
General government:					
Ad valorem tax adjustment and deductions	71,331	14,265	85,596	-	85,596
Public safety:					
Personal services	337,827	-	337,827	(213)	337,614
Supplies and materials	57,988	-	57,988	-	57,988
Other services and charges	188,330	-	188,330	1,216	189,546
Repairs and maintenance	108,049	-	108,049	-	108,049
Depreciation	-	-	-	441,552	441,552
Total public safety	<u>692,194</u>	<u>-</u>	<u>692,194</u>	<u>442,555</u>	<u>1,134,749</u>
Debt service:					
Principal retirement	68,610	125,000	193,610	(193,610)	-
Interest and fiscal charges	6,196	89,469	95,665	(1,354)	94,311
Total debt service	<u>74,806</u>	<u>214,469</u>	<u>289,275</u>	<u>(194,964)</u>	<u>94,311</u>
Capital outlay	1,082,707	-	1,082,707	(1,082,707)	-
Total expenditures/expenses	<u>1,921,038</u>	<u>228,734</u>	<u>2,149,772</u>	<u>(835,116)</u>	<u>1,314,656</u>
Excess of Revenues Over Expenditures	<u>73,472</u>	<u>155,127</u>	<u>228,599</u>	<u>(228,599)</u>	<u>-</u>
Change in Net Position	-	-	-	1,063,715	1,063,715
Fund Balances/Net Position					
Beginning of year	1,799,002	317,609	2,116,611	582,080	2,698,691
End of year	<u>\$ 1,872,474</u>	<u>\$ 472,736</u>	<u>\$ 2,345,210</u>	<u>\$ 1,417,196</u>	<u>\$ 3,762,406</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**

Schriever Fire Protection District

For the year ended December 31, 2020

Net Change in Fund Balances - Governmental Funds		\$ 228,599
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 1,082,707	
Depreciation expense	<u>(441,552)</u>	<u>641,155</u>
The net effect of miscellaneous transactions involving capital assets, such as disposals, trade-ins and donations, is to decrease capital assets.		
Disposal of capital assets		(1,216)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The transaction has no effect on net position.		
Capital lease payments	68,610	
Principal payments	<u>125,000</u>	<u>193,610</u>
Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences	(1,162)	
Pension expense	1,375	
Decrease in accrued interest payable	<u>1,354</u>	<u>1,567</u>
Change in Net Position of Governmental Activities		<u><u>\$ 1,063,715</u></u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Schriever Fire Protection District

For the year ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,910,112	\$ 1,910,112	\$ 1,912,118	\$ 2,006
Intergovernmental:				
State of Louisiana:				
State revenue sharing	33,000	34,155	34,155	-
Fire insurance tax	40,000	41,822	41,823	1
Miscellaneous:				
Investment income (loss)	16,000	16,000	1,414	(14,586)
Miscellaneous	-	851	5,000	4,149
Total revenues	<u>1,999,112</u>	<u>2,002,940</u>	<u>1,994,510</u>	<u>(8,430)</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustments and deductions	64,291	63,793	71,331	(7,538)
Public safety:				
Personal services	197,278	303,270	337,827	(34,557)
Supplies and materials	113,300	76,000	57,988	18,012
Other services and charges	199,700	195,743	188,330	7,413
Repairs and maintenance	139,000	122,000	108,049	13,951
Total public safety	<u>649,278</u>	<u>697,013</u>	<u>692,194</u>	<u>4,819</u>
Debt service:				
Principal retirement	-	-	68,610	(68,610)
Interest and fiscal charges	-	-	6,196	(6,196)
Total debt service	<u>-</u>	<u>-</u>	<u>74,806</u>	<u>(74,806)</u>
Capital outlay	<u>1,570,000</u>	<u>1,619,211</u>	<u>1,082,707</u>	<u>536,504</u>
Total expenditures	<u>2,283,569</u>	<u>2,380,017</u>	<u>1,921,038</u>	<u>458,979</u>
Excess (Deficiency) of Revenues Over Expenditures	(284,457)	(377,077)	73,472	450,549
Fund Balances				
Beginning of year	<u>839,508</u>	<u>1,799,002</u>	<u>1,799,002</u>	<u>-</u>
End of year	<u>\$ 555,051</u>	<u>\$ 1,421,925</u>	<u>\$ 1,872,474</u>	<u>\$ 450,549</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Schriever Fire Protection District**

December 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Schriever Fire Protection District (the "District") conform to 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 following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2020.

GASB Statement No. 14, *"The Financial Reporting Entity"*, and GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14"* and GASB Statement No. 61, *"The Financial Reporting Entity: Omnibus and Amendment of GASB Statements No. 14 and No. 34"* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

The District has reviewed its activities and determined there are no reportable component units as of December 31, 2020.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements

The daily accounts and operations of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal, interest and related costs. The Debt Service Fund is reported as a major fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2020 property taxes which are being levied to finance the 2021 budget will be recognized as revenue in 2021. The 2020 tax levy is recorded as a deferred inflow of resources - unavailable revenue in the District's 2020 financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the "Board") adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. In order to remain in compliance with State budgeting laws, the District amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

The financial statements for the District contained no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectible portion of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Capital Assets (Continued)

Government-Wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more and a useful life greater than one year are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20 - 40 years
Vehicles, machinery, and equipment	5 - 25 years
Office furniture, fixtures, and equipment	5 - 20 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

h) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) expenditure until then. The District has deferred outflows of resources related to pensions.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The governmental fund reports unavailable revenues from property taxes and pension related deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reports unavailable revenue when resources associated with imposed non exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied; or (b) the period when resources are required to be used or when use is first permitted for all other imposed non exchange revenues in which the enabling legislation includes time requirements.

i) Compensated Absences

GASB Statement No. 16, "*Accounting for Compensated Absences*", requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement. The District has recorded liabilities for accumulated vacation and sick leave as of December 31, 2020.

In the government-wide financial statements the total compensated absences liability is recorded as an expense and long-term obligations. In accordance with GASB Interpretation No. 6, "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*", no compensated absences liability is recorded as of December 31, 2020 in the governmental fund-type fund financial statements.

Employees of the District can earn 144 hours of vacation leave and 16 hours of personal leave. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that any unused annual leave in excess of 40 hours on the employee's anniversary date requires the approval of the Board Chairman. Personal leave does not accumulate.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Compensated Absences (Continued)

Every firefighter in the employ of a fire protection district shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of no less than fifty-two weeks. A firefighter employed by any fire protection district who draws full pay during sickness or incapacity shall have such pay decreased by the amount of workers' compensation benefits actually received by the employee. A firefighter is entitled to sick leave benefits even though the injury or illness may have occurred while he was off duty. Firefighters are not prohibited from engaging in part-time employment while receiving sick leave. A probationary firefighter who is not a regular or permanent fireman is not entitled to sick leave benefits provided by the District. Sick leave does not accumulate for District employees. Accordingly, there is no accumulated sick leave for the District as of December 31, 2020.

j) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. Long-term obligations consists of net pension liability, general obligation bonds, capital lease obligations and compensated absences.

Fund Financial Statements

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources while payments of principal and interest are reported as expenditures.

k) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Equity

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- b. Restricted net position - Consists of assets and deferred outflow of resources less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions 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 do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2020, the District reported restricted resources for debt service.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Equity (Continued)

Fund Financial Statements (Continued)

- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assigned amounts may be established, modified or rescinded only through a majority vote by the District's Board of Commissioners.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classifications are available. The District's fund balance was classified as restricted and unassigned as of December 31, 2020.

m) New GASB Statements

During the year ending December 31, 2020, the District implemented the following GASB Statements:

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. This Statement did not affect the District's financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements (Continued)

Statement No. 95, "*Postponement for the Effective Dates of Certain Authoritative Guidance*" provides temporary relief to governments and other stockholders in light of Coronavirus (COVID-19). That objective is accomplished by postponing the effective dates of certain statements and implementation guides to those dates reported as follows.

The GASB has issued the following Statements which will become effective in future years as follows:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5 through 22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements (Continued)

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements (Continued)

Statement No. 93, "*Replacement of Interbank Offered Rates*" Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR), most notably, the London Interbank Offered Rate, (LIBOR). The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New GASB Statements (Continued)

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Note 2 - DEPOSITS (Continued)

Bank Deposits

State law requires that deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	Bank Balance	Reported Amounts
Cash	\$2,410,716	\$2,390,888

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District follows and complies with state law in custodial activities but does not have a written policy for custodial credit risk. As of December 31, 2020, \$2,160,716 of the District's bank balance of \$2,410,716 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the District's name by state statutes.

As of December 31, 2020, cash was adequately collateralized in accordance with the District's policy, similar to state law. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to draw down upon the pledged securities or sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2020 was \$15.00 per \$1,000 of assessed valuation on property within Schriever Fire Protection District for the purpose of acquiring, constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for the fire protection purposes, including fire hydrant rentals and services and \$1.50 per \$1,000 of assessed valuation for the payment of principal and interest. As indicated in Note 1c, taxes levied November 1, 2020 are for budgeted expenditures in 2021 and will be recognized as revenues in 2021.

Note 4 - DUE FROM/TO OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2020 consisted of the following:

	General	Funds Debt Service	Totals
State of Louisiana -			
State revenue sharing	\$ 25,941	\$ -	\$ 25,941
Terrebonne Parish Tax Collector -			
December 2020 collections remitted to the District in January 2021:			
Ad valorem taxes	1,367,056	136,706	1,503,762
State revenue sharing	12,607	-	12,607
Totals	\$ 1,405,604	\$ 136,706	\$ 1,542,310

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Additions	Adjustments and Deletions	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ 230,000	\$ 183,477	\$ -	\$ 413,477
Construction in progress	-	850,608	-	850,608
Total capital assets not being depreciated	230,000	1,034,085	-	1,264,085
Capital assets being depreciated:				
Buildings and improvements	1,902,328	-	-	1,902,328
Office furniture, fixtures, and equipment	42,238	7,349	(13,915)	35,672
Vehicles, machinery, and equipment	4,329,681	41,273	(52,968)	4,317,986
Total capital assets being depreciated	6,274,247	48,622	(66,883)	6,255,986
Less accumulated depreciation for:				
Buildings and improvements	(599,495)	(86,300)	-	(685,795)
Office furniture, fixtures and equipment	(22,569)	(3,195)	13,915	(11,849)
Vehicles, machinery and equipment	(2,938,477)	(352,057)	51,752	(3,238,782)
Total accumulated depreciation	(3,560,541)	(441,552)	65,667	(3,936,426)
Total capital assets being depreciated, net	2,713,706	(392,930)	(1,216)	2,319,560
Total capital assets, net	\$ 2,943,706	\$ 641,155	\$(1,216)	\$ 3,583,645

In 2020, the District purchased land for the purpose of creating a new training facility. Construction in progress additions were for a new apparatus, design and engineering fees for concrete roadways for the new training facility. Other various additions included office furniture, server, television panel for meeting room, and various training equipment.

Depreciation amounting to \$441,552 was recorded as public safety expenses for the year ended December 31, 2020.

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures as of December 31, 2020 consisted of the following:

	<u>General Fund</u>	<u>Adjustments</u>	<u>Totals</u>
Government-wide:			
Vendors	\$7,647	\$ -	\$ 7,647
Accrued interest on long-term debt	-	28,979	28,979
Totals	\$7,647	\$28,979	\$36,626

Note 7 - LONG-TERM OBLIGATIONS

As of December 31, 2020, the District had outstanding General Obligation Bonds Series 2011 totaling \$1,990,000 bearing an average interest rate of 4.25% over the remaining life of the bonds. The bonds are payable through March 1, 2031 primarily from ad valorem tax revenues, \$2,294,537 for the year ended December 31, 2020.

During the year ended December 31, 2018, the District entered into a financing lease for the acquisition of a new pumper fire truck for the District. The lease agreement qualified as a capital lease for accounting purposes and has been recorded at the present value of the future minimum lease payments as of the date of inception. The asset acquired through the capital lease has a net book value of \$262,868, net accumulated depreciation of \$95,588 as of December 31, 2020. During the year ended December 31, 2020, the District made one annual lease payment of \$74,806 including \$6,196 of interest.

Through December 31, 2020, the District has recognized obligations in the amount of \$5,547 for compensated absences as further described in Note 1i.

Through December 31, 2020, the District has recognized obligations in the amount of \$77,107 for the defined benefit pension plan as further described in Note 8.

Note 7 - LONG-TERM OBLIGATIONS (Continued)

The following presents a summary of the changes in long-term obligations for the year ended December 31, 2020:

	Payable January 1, 2020	Obligations		Payable December 31, 2020
		Issued	Retired	
Compensated absences	\$ 4,385	\$ 1,162	\$ -	\$ 5,547
Net pension liability	-	77,107	-	77,107
General Obligation				
Bonds Series 2011	2,115,000	-	(125,000)	1,990,000
Capital lease	211,908	-	(68,610)	143,298
	<u>2,331,293</u>	<u>78,269</u>	<u>\$(193,610)</u>	<u>\$2,215,952</u>
Total long-term obligations	<u>\$2,331,293</u>	<u>\$78,269</u>	<u>\$(193,610)</u>	<u>\$2,215,952</u>

The requirements to amortize general obligations outstanding as of December 31, 2020 are as follows:

Year	2011			
	General Obligation Bonds		Capital Lease	
	Principal	Interest	Principal	Interest
2021	\$ 130,000	\$ 84,663	\$ 70,617	\$4,190
2022	140,000	79,413	72,681	2,125
2023	145,000	73,357	-	-
2024	155,000	66,788	-	-
2025	170,000	59,475	-	-
2026-2030	1,010,000	169,800	-	-
2031	240,000	5,100	-	-
	<u>\$1,990,000</u>	<u>\$538,596</u>	<u>\$143,298</u>	<u>\$6,315</u>

Note 8 - DEFINED BENEFIT PLAN

Plan Description - The District contributes to the Firefighters' Retirement System of Louisiana (the "System"), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2272, specifically, and other general laws of the State of Louisiana.

Note 8 - DEFINED BENEFIT PLAN (Continued)

Eligibility - Membership in the System is a condition of employment for any full-time firefighter employed by any municipality, parish, or fire protection district in the state in addition to System employees. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits there from may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Benefits Provided - The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana Revised Statutes 11:2251 through 11:2272. Annual benefits to which retired members are entitled are equal to 3.33% of their final average compensation based on the thirty-six consecutive months of highest pay multiplied by years of service, not to exceed 100%. The State Legislature authorized the System to establish a deferred retirement option plan (DROP). After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in DROP for up to 36 months. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Contributions - Employer contributions are actuarially determine each year. The employer contributions rate for employers above the poverty line/below the poverty line for the period January 1, 2020 through June 30, 2020 was 27.75%/29.75% and 32.25%/34.25% for the period July 1, 2020 through December 31, 2020. Plan members above the poverty line are required to contribute 10.00% of their annual covered payroll, and 8.00% for those below the poverty line.

The District's contributions to the System for the year ending December 31, 2020, were \$27,354.

Note 8 - DEFINED BENEFIT PLAN (Continued)

Pension Liabilities - As of December 31, 2020, the District reported a net pension liability of \$77,107 for its proportionate share of the System's 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 the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2020, the District's proportion was 0.011124%.

Pension Expense - For the year ended December 31, 2020, the District recognized pension expense of \$25,979.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - As of December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$(4,933)
Changes in assumptions	7,454	-
Change in proportion	54,570	-
Net difference between projected and actual earnings on pension plan investments	8,491	-
Contributions subsequent to the measurement date	<u>12,900</u>	<u>-</u>
	<u>\$83,415</u>	<u>\$(4,933)</u>

The District reported \$12,900 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending December 31, 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:

Note 8 - DEFINED BENEFIT PLAN (Continued)

Year Ending December 31,	Amount
2021	\$10,566
2022	12,622
2023	12,424
2024	11,159
2025	9,524
2026	9,287
	\$65,582

Actuarial Assumptions - The actuarial assumptions used in the June 30, 2020 valuation were based on the assumptions used in the June 30, 2020 actuarial funding valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Estimated Remaining Service Life	7 years, closed period
Investment Rate of Return	7.00% per annum (net of investment expenses, included inflation).
Inflation Rate	2.50 % per annum
Salary Increase	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases.
Cost of Living Adjustments	Only those previously granted.

Note 8 - DEFINED BENEFIT PLAN (Continued)

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 the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- 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 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 consultant's 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 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 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.

Note 8 - DEFINED BENEFIT PLAN (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. Prior year's financial reports presented the long-term expected real rate of return provided by the System's investment consultant, whereas this year's report presents this information for both fiscal years 2020 and 2019 from the System's actuary. The actuary's method incorporates information from multiple consultants and investment 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 real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table presented as follows:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
Alternatives:		
Real Estate	6.00%	4.20%
Private Equity	9.00%	10.29%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	0.00%	4.22%
Risk Party	0.00%	4.22%
	<u>100.00%</u>	

Note 8 - DEFINED BENEFIT PLAN (Continued)

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 assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates taking into consideration the recommendation of the System's actuary. Based on those 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.

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the 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 as of June 30, 2020:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 111,380	\$ 77,107	\$ 48,499

Pension Plan Fiduciary Net Position - The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809 or on the System's website, www.ffret.com.

Note 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

Note 10 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 2020.

Note 11 - STATE OF LOUISIANA TAX ABATEMENTS

The District's ad valorem tax revenues were reduced by \$247,322 under agreements entered into with the State of Louisiana.

Note 12 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 22, 2021, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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

Schriever Fire Protection District

December 31, 2020

	2020
District's proportion of the net pension liability	0.011124%
District's proportionate share of the net pension liability	\$ 77,107
District's covered-employee payroll	\$ 27,692
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	278.45%
Plan fiduciary net position as a percentage of the total pension liability	72.61%

The schedule is provided beginning with the District's year ended December 31, 2020 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Schriever Fire Protection District

December 31, 2020

Contractually required contributions	\$ 20,585
Contributions in relation to the contractually required contributions	<u>20,585</u>
Contributions deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 67,692</u>
Contributions as a percentage of covered-employee payroll	<u>30.41%</u>

The schedule is provided beginning with the District's year ended December 31, 2020 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Schriever Fire Protection District

December 31, 2020

Agency Head Name: Chris Bourgeois, Chief Executive Officer

Purpose

Salary	\$ 75,016
Benefits - insurance	4,442
Benefits - retirement	20,585
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<u>\$ 100,043</u>

Note:

Chris Bourgeois is the Fire District Administrator of the District and functions as the Chief Executive Officer.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Schriever Fire Protection District,
Schriever, 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 and each major fund of Schriever Fire Protection District (the "District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated June 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 District'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 charges with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bourgeois Bennett, L.L.C.".

Certified Public Accountants.

Houma, Louisiana,
June 22, 2021.

SCHEDULE OF FINDINGS AND RESPONSES

Schriever Fire Protection District

For the year ended December 31, 2020

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

b) Federal Awards

Schriever Fire Protection District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2020.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Schriever Fire Protection District

For the year ended December 31, 2020

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended December 31, 2019.

No significant deficiencies were reported during the audit for the year ended December 31, 2019.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

Schriever Fire Protection District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2019 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2019.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Schriever Fire Protection District

For the year ended December 31, 2020

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended December 31, 2020.

No significant deficiencies were reported during the audit for the year ended December 31, 2020.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2020.

Section II - Internal Control and Compliance Material to Federal Awards

Schriever Fire Protection District did not expend federal awards in excess of \$750,000 during the year ended December 31, 2020 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2020.