

FIRE PROTECTION DISTRICT NO. 1  
OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners  
 Fire Protection District No. 1  
 of West Feliciana Parish  
 St. Francisville, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of Fire Protection District No. 1 of West Feliciana Parish, a component unit of the West Feliciana Parish Council, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Fire 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.

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The Board of Commissioners  
Fire Protection District No. 1  
of West Feliciana Parish  
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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Fire District, as of June 30, 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 budgetary comparison information on page 28 and the schedule of the Fire District's proportionate share of net pension liability and the Fire District's contributions on pages 29-30 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fire District's basic financial statements. The accompanying schedule of compensation paid to board members on page 31 and the schedule of compensation, benefits and other payments to agency head on page 32, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the basic financial statements.


These schedules 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Board of Commissioners  
Fire Protection District No. 1  
of West Feliciana Parish  
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#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 9, 2023, on our consideration of the Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Fire District's 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 Fire District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "John S. Darling & Company". The signature is written in a cursive, flowing style.

Opelousas, Louisiana  
January 9, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

FIRE PROTECTION DISTRICT NO. 1  
OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
STATEMENT OF NET POSITION  
JUNE 30, 2020

GOVERNMENTAL ACTIVITIES

ASSETS

Cash and cash equivalents	\$ 3,119,895
Investments	2,000,463
Property taxes receivable, net	1,014
Accrued interest receivable	16,538
Prepaid insurance	16,693
Due from other government	175,000
Utility deposits	400
Capital assets, net	8,418,694
<u>Total assets</u>	<u>13,748,697</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	122,466
<u>Total deferred outflows of resources</u>	<u>122,466</u>

LIABILITIES

Accounts payable	41,765
Accrued salaries	7,316
Compensated absences	5,350
Other accrued liabilities	12,549
Long-term liabilities	
Unearned revenue	31,506
Net pension liability	248,103
<u>Total liabilities</u>	<u>346,589</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	283,003
<u>Total deferred inflows of resources</u>	<u>283,003</u>

NET POSITION

Net investment in capital assets	8,418,694
Unrestricted	4,822,877
<u>Total net position</u>	<u>13,241,571</u>

See accompanying notes and independent auditor's report.



FIRE PROTECTION DISTRICT NO. 1  
OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

<u>FUNCTIONS / PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION</u>	
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>		<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
Governmental Activities					
Public safety - fire	\$ 1,614,408	\$ 10,972	\$ -	\$ -	\$ (1,603,436)
<u>Total governmental activities</u>	<u>1,614,408</u>	<u>10,972</u>	<u>-</u>	<u>-</u>	<u>(1,603,436)</u>
General revenues					
Property taxes					2,063,073
Intergovernmental					
Fire insurance rebate					53,570
On behalf payments - state supplemental pay					6,500
Investment income					76,723
Miscellaneous					87,060
Disposal of capital assets					(5,360)
<u>Total general revenues</u>					<u>2,281,566</u>
Change in net position					<u>678,130</u>
Net position – July 1, 2019, beginning					12,547,952
Prior period adjustments					15,489
Net position – July 1, 2019, as restated					<u>12,563,441</u>
Net position – June 30, 2020					<u>13,241,571</u>

See accompanying notes and independent auditor's report.

FUND FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 1  
OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2020

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,119,895
Investments	2,000,463
Accrued interest receivable	6,837
Prepaid insurance	16,693
Due from other government	175,000
Property taxes receivable, net	1,014
Utility deposits	400
	<hr/>
<u>Total assets</u>	<u>5,320,302</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts payable	\$ 41,765
Accrued salaries	7,316
Compensated absences	2,911
Other accrued liabilities	12,549
Unearned revenue	31,506
	<hr/>
<u>Total liabilities</u>	<u>96,047</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenue - intergovernmental	175,000
	<hr/>
<u>Total deferred inflows of resources</u>	<u>175,000</u>
 <u>FUND BALANCE</u>	
Unassigned	3,032,100
Nonspendable	16,693
Assigned	
Apparatus	1,588,008
Building	406,659
Equipment	5,795
	<hr/>
<u>Total fund balance</u>	<u>5,049,255</u>
	<hr/>
<u>Total liabilities, deferred inflows of resources and fund balance</u>	<u>5,320,302</u>

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. 1  
OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020

Total fund balance for the governmental fund at June 30, 2020		\$ 5,049,255
Capital assets used in the governmental activities are not financial resources, therefore, are not reported in the governmental funds:		
Cost of capital assets	\$14,963,093	
Less: accumulated depreciation	<u>(6,544,399)</u>	8,418,694
Additional accrued interest receivable on accrual basis		9,701
Long-term liabilities of governmental activities are not payable from current resources, and therefore, are not reported in the governmental funds:		
Compensated absences		(2,439)
Net pension liability		(248,103)
Receivables not collected within 60 days of period end are not available to pay for current expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds		175,000
Deferred outflows and inflows of financial resources related to pensions are applicable to a future period, and therefore, are not reported in the governmental funds. These consist of:		
Deferred outflows of resources - pension related		122,466
Deferred inflows of resources - pension related		<u>(283,003)</u>
Net position at June 30, 2020		<u><u>13,241,571</u></u>

FIRE PROTECTION DISTRICT NO. 1  
OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

<u>REVENUES</u>	<u>GENERAL FUND</u>
Taxes	\$ 2,063,073
Charges for services	10,972
Intergovernmental	60,070
Investment income	67,022
Miscellaneous	76,439
<u>Total revenues</u>	<u>2,277,576</u>
<u>EXPENDITURES</u>	
Public safety	
Benefits	39,471
Board per diem	1,800
Dues and subscriptions	10,245
Insurance	197,540
Miscellaneous	1,743
Payroll taxes	37,631
Professional services	54,102
Repairs and maintenance	120,357
Salaries	560,451
Supplies	60,508
Telephone and utilities	44,945
Training	15,374
Vehicle Expense	25,283
Capital outlay	
Building & equipment	1,781,262
<u>Total expenditures</u>	<u>2,950,712</u>
 <u>NET CHANGE IN FUND BALANCE</u>	 <u>(673,136)</u>
 <u>FUND BALANCE</u> , beginning of year	 5,706,902
Prior period adjustments	15,489
<u>FUND BALANCE</u> , beginning of year, as restated	<u>5,722,391</u>
<u>FUND BALANCE</u> , end of year	<u>5,049,255</u>

See accompanying notes and independent auditor's report.

FIRE PROTECTION DISTRICT NO. 1  
OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Total net change in fund balance for the year ended June 30, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (673,136)
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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. This is the amount by which depreciation exceeds capital outlay in the current period:

Expenditures for capital assets	\$ 1,781,262	
Less: net book value of assets retired	(5,360)	
Less: current year depreciation	<u>(445,515)</u>	1,330,387

Some revenues in the Statement of Activities do not provide current financial resources and are not reported as revenue in the governmental funds:

Non-employer contributions to cost-sharing pension plan	10,621
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Difference between accrued interest receivable on modified accrual basis versus accrual basis	9,701
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Some expenses do not require the use of current financial resources, and therefore, is not reported in the governmental funds:

Compensated absences	(2,439)	
Pension expense	2,996	
		<u>678,130</u>

Total change in net position for the year ended June 30, 2020 per Statement of Activities	<u><u>678,130</u></u>
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FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Fire Protection District No. 1 of West Feliciana Parish have been prepared in conformity with generally accepted accounting standards (GAAP) as applied to governmental units GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of certain significant accounting policies and practices of the Fire Protection District No. 1 of West Feliciana Parish.

A. FINANCIAL REPORTING ENTITY

Fire Protection District No. 1 of West Feliciana Parish ("the District") is a component unit of the West Feliciana Parish Council and was created in 1986 as provided by Louisiana Revised Statute 40:1492. The District serves as a parish-wide agency for the purpose of acquiring, maintaining and operating buildings, machinery, equipment, water tanks and any other such things necessary to provide fire prevention and protection within its boundaries.

The District is managed by a Board of Commissioners composed of 7 members that are appointed by the parish governing authority to serve two-year terms. Commissioners, as authorized by Louisiana Revised Statute 38:3304 receive a per diem to attend meeting or conduct board-approved business not to exceed \$30 per meeting and two meetings per month.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Fire Protection District No. 1 of West Feliciana Parish is considered a component unit of the West Feliciana Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information on all the nonfiduciary activities of Fire Protection District No. 1 of West Feliciana Parish, the primary government, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND FINANCIAL STATEMENTS

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The fund presented in the financial statements and considered a major fund is described as follows:

Governmental Fund

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

C. MEASUREMENT FOCUS/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.

MEASUREMENT FOCUS

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.



FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Interest earnings are recorded as earned since they are measurable and available.

D. CASH AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less from the date of acquisition.

Under State law, the District may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates.

In accordance with state law, the District limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair market.

E. PREPAID ITEMS

The District recognizes expenditures for insurance and similar services extending over more than one accounting period when paid in the fund financial statements.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings & Improvements	5-40 years
Equipment	5-10 years
Vehicles & Apparatus	7-20 years

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. BUDGETS AND BUDGETARY ACCOUNTING

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-15. The budget is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The major requirements of the Local Government Budget Act are summarized as follows:

1. The District adopts a budget each year for the general fund.
2. The District's secretary and Fire Chief prepare a proposed budget and submit it to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal. A public hearing was held on June 10, 2019.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on June 10, 2019.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the board of Commissioners.
5. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting.

H. PENSION PLANS

The District is a member of the Louisiana Firefighters' Retirement System. The System has prepared its employer schedules in accordance with GASB No. 68. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

I. COMPENSATED ABSENCES

The District has the following vacation leave policy:

Vacation Leave - Days Earned per Year	Years of Service		
	6 months - 1 year	1-10 years	10+ years
	9	18	additional 1 day for each year of service over 10 years (max 30 days)

The District's employees are allowed to carry forward a max of 80 hours each year, which is paid to the employee upon termination. The District follows the policy of the Louisiana Municipal Fire and Police Civil Service Revised Statutes for sick leave.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the general fund.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. ENCUMBRANCES

Encumbrance accounting is not used by the District.

K. LONG-TERM DEBT

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bond payables are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The District has implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, were revised. This standard was intended to compliment GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65. The District did not have any bond related costs in the year ending June 30, 2020.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. EXPENDITURES AND EXPENSES

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, governmental funds report expenditures of financial resources.

M. EQUITY CLASSIFICATIONS

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

1. 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.
2. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. EQUITY CLASSIFICATIONS (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Commissioners – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but are neither restricted nor committed. The Board of Commissioners have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

N. ESTIMATES

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until that time.

In addition to liabilities, the statement of net position includes 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(s) and so will not be recognized as an inflow of resources (revenue) until then.

Property taxes and state revenue sharing receivable for the governmental fund types, which have been remitted within 60 days subsequent to the year-end, are considered measurable and available and recognized as revenues. All other property taxes and state revenue sharing are offset by deferred inflows of resources and, accordingly, have not been recorded as revenue.

In the government-wide Statement of Net Position, deferred outflows of resources and deferred inflows of resources relating to pensions are recognized.

NOTE 2 - CASH AND CASH EQUIVALENTS

As of June 30, 2020, the carrying amount of the District's cash and investments was \$ 5,120,358. The bank balance of cash was \$3,122,797 and the bank balance of investments was \$2,000,463, totaling \$5,123,260 at year-end. Of the investment bank balance, \$1,586,181 was certificates of deposit and \$414,282 was LAMP investments. Of the bank balance, \$795,436 was covered by federal depository insurance and \$4,327,824 was covered by pledged securities. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Fire District's name. Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The Fire District does not have a policy for custodial credit risk.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. 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.

NOTE 3 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
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NOTE 3 – INVESTMENTS (Continued)

The only investments held by the District at June 30, 2020 are certificates of deposits carried as investments within two local banks and the Louisiana Asset Management Pool (LAMP) as described in Note 2. The certificates of deposit are carried at cost which approximates market value.

In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, all investments, when held, are carried at fair market value, with the estimated fair market value based on quoted market prices.

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

In accordance with GASB Codification Section 150.165, the investment in the Louisiana Asset Management Pool (LAMP) at June 30, 2020, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

LAMP is subject to the regulator oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments. LAMP is a 2a7 - like investment pool. The following facts are relevant for 2a7 like investment pools:

1. Credit risk: LAMP is rated AAAm by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.

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ST. FRANCISVILLE, LOUISIANA  
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NOTE 3 – INVESTMENTS (Continued)

4. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP'S total investments, as provided by LAMP, is 39 days as of June 30, 2020.
5. Foreign currency risk: Not applicable to 2a7-like pools.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP, Inc., issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by calling (800) 249-5267.

NOTE 4 - PROPERTY TAXES

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The West Feliciana Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the West Feliciana Parish Tax Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For the year ended June 30, 2020, taxes of 6 mills were levied for maintenance.

All property tax receivables are shown net of any allowance for uncollectable accounts. Property tax receivable for all governmental fund types, which have been remitted within 60 days subsequent to year-end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred inflows of resources and, accordingly, have not been recorded as revenue.

Since the Sheriff of the parish collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. For the year ended June 30, 2020 property taxes receivable amounted to \$ 1,014 and allowance for uncollectible accounts amounted to \$0.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
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JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended June 30, 2020, for Fire Protection District No. 1 of West Feliciana Parish are as follows:

	<u>Balance</u> <u>7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2020</u>
Governmental activities				
Capital Assets Not Being Depreciated:				
Land	\$ 293,929	\$ -	\$ -	\$ 293,929
Total Capital Assets Not Being Depreciated	<u>293,929</u>	<u>-</u>	<u>-</u>	<u>293,929</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	5,927,981	9,980	-	5,937,961
Equipment	119,754	114,429	62,375	171,808
Vehicles and Apparatus	6,943,961	1,656,853	41,419	8,559,395
Total Capital Assets Being Depreciated	<u>12,991,696</u>	<u>1,781,262</u>	<u>103,794</u>	<u>14,669,164</u>
<u>Totals at Historical Cost</u>	<u>13,285,625</u>	<u>1,781,262</u>	<u>103,794</u>	<u>14,963,093</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,047,119	150,214	-	2,197,333
Equipment	94,332	13,328	62,375	45,285
Vehicles and Apparatus	4,055,867	281,973	36,059	4,301,781
<u>Total Accumulated Depreciation</u>	<u>6,197,318</u>	<u>445,515</u>	<u>98,434</u>	<u>6,544,399</u>
Governmental activities				
Capital assets, net	<u>7,088,307</u>	<u>1,335,747</u>	<u>5,360</u>	<u>8,418,694</u>

Depreciation expense was charged to governmental activities as follows:

Public safety – fire	\$ 445,515
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NOTE 6 – ON-BEHALF PAYMENTS

Several employees of the District received salaries from the state in the form of supplemental pay and are included in the financial statements in the amount of \$ 6,500 .



FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 7 - LEASES**

On August 2, 2013, the District entered into a land lease agreement with Verizon Wireless for a tower site. The agreement was signed for five years with \$7,200 per year to be paid to the District. The agreement automatically extends for four additional five-year terms unless the lessee terminates the agreement at the end of the current term by giving written notice of intent to terminate at least six months prior to the end of the current term. On May 27, 2015, the District was notified that Tower Alliance would be taking over the Verizon lease in June or July 2015.

On February 1, 2014, the District entered into a ground lease agreement with Gas Utility District No. 1 of West Feliciana Parish. The lease was for 99 years in the amount of \$33,900 which was paid to the District on the date of the lease agreement. The amount recognized by the District as income for the fiscal year June 30, 2020 was \$344. The amount considered unearned revenue for the fiscal year June 30, 2020 was \$ 31,506 .

**NOTE 8 - RETIREMENT SYSTEM**

Substantially all full-time employees of Fire Protection District No. 1 of West Feliciana Parish are members of the Louisiana Firefighters Retirement System (System), a cost-sharing, multi-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The District implemented Governmental Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB 68. These standards require the District to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

Plan Description: The Firefighters' Retirement System (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 434 of 1979 to provide retirement, disability, and survivor benefits to firefighters in Louisiana. Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters who earn at least \$375 per month and are employed by a municipality, parish, or fire protection district of the State in addition to employees of the Firefighters' Retirement System.

**Retirement Benefits:**

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

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NOTES TO FINANCIAL STATEMENTS  
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NOTE 8 - RETIREMENT SYSTEM (Continued)

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity.

An employee may elect an unreduced benefit or any of seven options at retirement. The options are as follows:

1. At death, their beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, their beneficiary will receive a life annuity equal to the employee's reduced retirement allowance.
3. At death, their beneficiary will receive a life annuity equal to of the employee's reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to the employee's retirement allowance limited to a spouse and/or minor children.
5. The member can select a reduced option 2 benefit. However, if the beneficiary predeceases the retiree, the benefit will convert to the maximum. This option is limited to a spouse and/or minor children or handicapped children.
6. The member can select a reduced option 3 benefit. However, if the beneficiary predeceases the retiree, the benefit will convert to the maximum. This option is limited to a spouse and/or minor children.
7. The member can select to receive a guaranteed 2 1/2% COLA every year beginning when the member reaches age 55. In exchange for this COLA the member takes an actuarially reduced benefit upon retirement.

Death Benefits:

If an active employee dies and is not eligible for retirement, his survivors shall be paid:

1. If the employee is not eligible to retire and dies in the line of duty, their spouse will receive monthly, an annual benefit equal to 2/3 of the employee's average final compensation. If death is not in the line of duty, the spouse will receive monthly, an annual benefit equal to 3.0% of the member's average final compensation multiplied by his total years of service; however, the benefit shall not be less than 40.0%, or more than 60.0% of the employee's average final compensation.
2. Children of deceased employees will receive the greater of \$200 or 10.0% of the member's final average compensation per month until reaching the age of 18 or until the age of 22 if enrolled full time in an institution of higher education. The surviving totally physically handicapped or mentally retarded child of a deceased employee, regardless of age, shall receive the benefits as long as they are dependent on the surviving spouse.
3. If an employee, who is eligible to retire, dies before retiring, the designated beneficiary shall be paid under option 2, survivor benefit equal to member's benefit.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 8 - RETIREMENT SYSTEM (Continued)

Disability Benefits:

If an eligible member is officially certified as disabled by the State Medical Disability Board, he shall receive the greater retirement, if eligible for disability benefits as follows:

1. Any member totally disabled from injury received in the line of duty, shall be paid, on a monthly basis, an annual pension of 60.0% of the average final compensation being received at the time of the disability.
2. Any member of ERS who has become disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, and who has 5 years of creditable service, but is not eligible for retirement under the provisions of R. S. 11:2256 may apply for retirement under the provisions of R.S. 11:2258 and shall be retired on 75.0% of the retirement salary to which he would be entitled under R. S. 11:2256 if he were otherwise eligible there under or 25.0% of the member's average salary, whichever is greater.
3. Any retired member or DROP plan participant who becomes disabled for any reason provided for by law shall be permitted to apply for conversion of a service retirement to a service connected disability retirement under R.S. 11:2258(B)(1)(e).
4. Should a member who is on disability retirement die and leave a surviving spouse, the surviving spouse shall receive a benefit of \$200 per month. When the member takes disability retirement, he may, in addition, take an actuarially reduced benefit in which case the member's surviving spouse shall receive 50% of the disability benefit being paid immediately prior to the death of the disabled retiree. If the surviving spouse remarries prior to age 55, such benefits shall cease; however, the benefits shall resume upon subsequent divorce or death of the new spouse, and the approval of the board of trustees.

Deferred Retirement Option Plan:

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to ERS 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 ERS. No payments may be made from the deferred retirement option plan account until the participant retires.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
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NOTES TO FINANCIAL STATEMENTS  
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NOTE 8 - RETIREMENT SYSTEM (Continued)

Initial Benefit Option:

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Firefighters' Retirement System Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060 or [www.lafirefightersret.com](http://www.lafirefightersret.com).

Funding Policy: Plan members are required by state statute to contribute ten percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The employer contribution rates were 27.75 percent of annual covered salary for the plan years ending in 2019. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year.

According to state statute ERS receives insurance premium tax funds from the State of Louisiana. This additional source of income is used as an additional employer contribution and is reported as a non-employer contribution but is not considered a special funding situation. During the year ending June 30, 2020, the District recognized revenue as a result of support received from non-employer contributing entities of \$10,621 for its participation in FRS.

The District's total contributions were \$28,601 in the fiscal years ending June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020, the District reported a liability of \$248,103 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2019 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 contribution of all participating, actuarially determined. At the measurement date, June 30, 2019, the District's proportion was 0.039621%, which was a decrease of 0.04178% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense for the FRS System of \$25,606 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 8 - RETIREMENT SYSTEM (Continued)

As of June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the FRS pension system from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (17,897)
Changes of Assumptions	22,571	(18)
Net difference between projected and actual earnings on pension plan investments	16,684	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	54,610	(265,088)
Employer contributions subsequent to the measurement date	<u>28,601</u>	<u>-</u>
<u>Total</u>	<u>122,466</u>	<u>(283,003)</u>

The District reported \$28,601 in deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019 which will be recognized as a reduction in 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 is as follows:

<u>Year ended June 30</u>	
2021	\$ (13,527)
2022	(26,918)
2023	(33,191)
2024	(38,473)
2025	(45,545)
2026	<u>(31,486)</u>
	<u>(189,140)</u>

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NOTE 8 - RETIREMENT SYSTEM (Continued)

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 is as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return (discount rate)	7.5% per annum (net of investment expenses, including inflation) (decreased from 7.3% in 2018)
Expected Remaining Service Lives	7 years, closed period
Inflation Rate	2.50% per annum (decreased from 2.70% in 2018)
Salary Increases	Vary from 14.75% in the first two years of service to 4.50% with 25 or more years of service; includes inflation and merit increases
Cost of Living Adjustments (COLAs)	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables used would produce liability values approximating the appropriate generational mortality tables.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected nominal rate of return was 7.94% as of June 30, 2019.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 8 - RETIREMENT SYSTEM (Continued)

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	49.00%	20.09%
Fixed Income	31.00%	2.17%
Alternatives	10.00%	14.66%
Other	10.00%	9.04%
	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.15%. 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 will be made at the actuarially determined rates approved by PRSAC 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 Employer's Proportionate Share of the 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 7.15%, 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, or one percentage point higher than the current rate as of June 30, 2019:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates	6.15%	7.15%	8.15%
Share of Net Pension Liability	359,270	248,103	154,798

Payable to the Retirement System:

As of June 30, 2020, the District reported a pension payable to FRS for \$3,233.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 9 - FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to balance classification.

	<u>General Fund</u>
Fund Balances:	
Unassigned	\$ 3,032,100
Nonspendable	16,693
Assigned	
Apparatus	1,588,008
Building	406,659
Equipment	<u>5,795</u>
<u>Total fund balances</u>	<u><u>5,049,255</u></u>

NOTE 10 - PRIOR PERIOD ADJUSTMENT

The District made an adjustment to reverse duplicate transactions. The net effect to fund balance for the prior year that resulted from this is as follows:

<u>General Fund Balance, as Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>General Fund Balance, as Restated</u>
<u>\$ 5,706,902</u>	<u>\$ 15,489</u>	<u>\$ 5,722,391</u>

NOTE 11 - UNCERTAINTIES

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may continue to impact the District's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events were evaluated through January 9, 2023 which is the date the financial statements were available to be issued. As of January 9, 2023, there were no subsequent events noted.



REQUIRED SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<u>REVENUES</u>				
Ad valorem taxes	\$ 1,850,000	\$1,850,000	\$ 2,063,073	\$ 213,073
Charges for services	5,000	5,000	10,972	5,972
Intergovernmental				
Fire insurance rebate	45,000	45,000	60,070	15,070
Interest earnings	30,000	30,000	67,022	37,022
Miscellaneous	37,794	37,794	76,439	38,645
<u>Total revenues</u>	<u>1,967,794</u>	<u>1,967,794</u>	<u>2,277,576</u>	<u>309,782</u>
<u>EXPENDITURES</u>				
Public safety				
Benefits	118,225	118,225	39,471	78,754
Board per diem	2,370	2,370	1,800	570
Dues and subscriptions	3,000	3,000	10,245	(7,245)
Insurance	161,193	161,193	197,540	(36,347)
Miscellaneous	14,800	14,800	1,743	13,057
Payroll taxes	39,150	39,150	37,631	1,519
Professional services	31,722	31,722	54,102	(22,380)
Repairs and Maintenance	74,832	74,832	120,357	(45,525)
Salaries	793,804	793,804	560,451	233,353
Supplies	36,150	36,150	60,508	(24,358)
Telephone and utilities	79,310	79,310	44,945	34,365
Training	77,260	77,260	15,374	61,886
Vehicle expense	26,275	26,275	25,283	992
Capital outlay				
Building & equipment	2,411,150	2,411,150	1,781,262	629,888
<u>Total expenditures</u>	<u>3,869,241</u>	<u>3,869,241</u>	<u>2,950,712</u>	<u>918,529</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(1,901,447)</u>	<u>(1,901,447)</u>	<u>(673,136)</u>	<u>1,228,311</u>
<u>FUND BALANCE</u> , beginning of year			5,706,902	
Prior period adjustments			15,489	
<u>FUND BALANCE</u> , beginning of year, as restated			<u>5,722,391</u>	
<u>FUND BALANCE</u> , end of year			<u>5,049,255</u>	

See independent auditor's report.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2020\*

Date	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.03962%	248,103	91,445	271.31%	73.96%
2019	0.08140%	468,225	185,074	252.99%	74.76%
2018	0.10000%	573,208	218,110	262.81%	73.55%
2017	0.09651%	631,269	204,733	308.34%	68.16%
2016	0.09277%	500,706	196,814	254.41%	72.45%
2015	0.07339%	326,579	141,245	231.21%	76.02%

\* Amounts presented were determined using a measurement date of the previous fiscal year end.

See independent auditor's report.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2020

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2020	\$ 28,601	\$ 28,601	\$ -	\$ 103,065	27.75%
2019	25,376	25,376	-	91,445	27.75%
2018	51,358	51,358	-	185,074	27.75%
2017	58,982	58,982	-	218,110	27.04%
2016	59,299	72,753	(13,454)	204,733	35.54%
2015	57,669	56,859	810	196,814	28.89%

See independent auditor's report.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020

(1) BUDGETS AND BUDGETARY ACCOUNTING

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the District. All budgetary appropriations lapse at the end of each fiscal year.

(2) PENSION PLANS

Changes of assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS  
YEAR ENDED JUNE 30, 2020

<u>Board Members</u>	<u>Title</u>	<u>Compensation</u>
Ralph Hennessy	Chairman	\$ 300
Joe Wells	Vice Chairman	330
Tracy Williams	Secretary	270
Tommy Loyacono	Treasurer	300
Tommy Boyette	Board Member	90
Darrell Roan	Board Member	240
David Opperman	Board Member	90
Donna Gibbon	Board Member	180
		<u>1,800</u>

See independent auditor's report.

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF COMPENSATION BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
YEAR ENDED JUNE 30, 2020

Agency Head Name: Ralph Hennessy, Chairman

Purpose	Amount
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits	0
Car allowance	0
Vehicle provided by government	0
Per diem	300
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0
Other	0

See independent auditor's report.



RELATED REPORTS

James L. Nicholson, Jr., CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS  
[www.jsdc-cpas.com](http://www.jsdc-cpas.com)

John S. Dowling, CPA - 1904-1984  
 John Newton Stout, CPA - 1936-2005  
 Chizal S. Fontenot, CPA - 1955-2012  
 Russell J. Stelly, CPA - 1942-2019  
 Harold Dupre, CPA - 1931-2019

Van L. Auld, CPA  
 Molly Fontenot Duplechain, CPA

Retired  
 Dwight Ledoux, CPA - 1998  
 Joel Lancelos, Jr., CPA - 2003  
 G. Kenneth Pavy, II, CPA - 2020

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

The Board of Commissioners  
 Fire Protection District No. 1  
 of West Feliciana Parish  
 St. Francisville, 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 the major fund of The Fire Protection District No. 1 of West Feliciana Parish as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements and have issued our report thereon dated January 9, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fire District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-1 and 2020-2 that we consider to be a significant deficiency.

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The Board of Commissioners  
Fire Protection District No. 1  
of West Feliciana Parish  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fire 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 financial statements. 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 three instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items 2020-3, 2020-4, and 2020-5.

### **The Fire District's Response to Findings**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in blue ink that reads "John S. Darling & Company". The signature is written in a cursive style.

Opelousas, Louisiana  
January 9, 2023

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Fire Protection District No. 1 of West Feliciana Parish of St. Francisville, Louisiana.
2. Two significant deficiencies and no material weaknesses relating to the audit of the financial statements are reported in the 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.
3. Three instances of noncompliance relating to the audit of the financial statements were reported in the 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.
4. No management letter was issued for the Fire District as of and for the year ended June 30, 2020.
5. There was no single audit requirement under The Uniform Guidance.

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

**INTERNAL CONTROL**

2020-01 Inadequate Segregation of Duties

Condition: Due to the small size of the District, the District did not have adequate segregation of functions within the accounting system.

Criteria: Segregation of conflicting duties within accounting functions is a basic internal control.

Cause: There are a small number of employees at the District performing the daily operating activities.

Effect: The accounting functions are not segregated, and it is important that you are aware of this condition because errors or fraud could occur and not be detected.

Recommendation: Based upon the size of the operation and the cost-benefit of additional personnel, it is not feasible to achieve complete segregation of duties within the accounting system.

Corrective Action Plan: Management is aware of and has evaluated this inadequacy and concluded that the related costs versus benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation.

Contact Person: Rick Dudley, Fire Chief

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED JUNE 30, 2020

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS (CONTINUED)

**INTERNAL CONTROL (CONTINUED)**

2020-02 Lack of Internal Controls over Recordkeeping

Condition: The District had insufficient internal controls over recordkeeping of receipts and disbursements. Although supporting documentation was available for all revenue and expenditure transactions tested, auditors were made aware that not all supporting documentation was retained by the District.

Criteria: Adequately designed and operating internal controls over financial reporting provides for adequate documentation to support transactions and to allow for proper review and approval of transactions.

Cause: Turnover in key positions appears to have created gaps in the operation of certain internal controls, including obtaining documentation that fully supports transactions, providing such documentation for review and recording of transactions, and maintaining such documentation.

Effect: Failure to retain supporting documentation for receipts and disbursements could result in funds not being deposited and/or funds being spent in ways not intended by the District.

Recommendation: The District should put in place proper internal controls to ensure that proper documentation is retained to support all revenues and disbursements. The District also needs to put in place proper internal controls to ensure that management reviews and approves all disbursements.

Corrective Action Plan: The District hired an outside CPA firm on July 1, 2020 to help the District with retaining and recording of all transactions.

Contact Person: Rick Dudley, Fire Chief

**COMPLIANCE**

2020-03 Budget Presentation

Condition: The budget was not presented in the required format.

Criteria: The Louisiana Local Government Budget Act (RS 39:1305(c)(2)(a)) states that the budget must be presented in a specific format.

Cause: The budget was not properly presented.

Effect: The format required by the Louisiana Government Budget Act was not followed.

Recommendation: The budget should be presented in the proper format according to state law.

Corrective Action Plan: The District will use its outside CPA firm to assist with putting the budget in the format required by state law.

Contact Person: Rick Dudley, Fire Chief

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED JUNE 30, 2020

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS (CONTINUED)

COMPLIANCE (CONTINUED)

2020-04 Late Submission of Report

Condition: The District's audit report was not completed and submitted to the Louisiana Legislative Auditor within six months of the close of the fiscal year, as required by state law.

Criteria: Revised Statutes 24:513(A) requires audits to be completed within six months of the close of the entity's fiscal year.

Cause: The completion of the audit report was delayed due to the turnover in key management positions.

Effect: The District is in violation of State Law requiring audited financial statements to be submitted within six months of the close of the fiscal year.

Recommendation: We recommend that the audit of the District be submitted on a timely basis in the future.

Corrective Action Plan: The Fire Chief is working with an outside CPA firm who assists in the financial reporting tasks to ensure timely submittal of the audit report in the future.

Contact Person: Rick Dudley, Fire Chief

2020-05 Payroll Tax Filing and Remittance

Condition: During procedures performed in connection with our engagement to audit the District's financial statements, it was noted that the 3<sup>rd</sup> and 4<sup>th</sup> quarter form 941's for 2019 were filed late.

Criteria: The District is required by federal law to report quarterly wages, tips, and other compensation paid to employees by filing the requires federal form, Form 941, by the last day of the month that follows the quarter.

Cause: The filing of Form 941 was delayed due to the turnover in key management positions.

Effect: The District violated the Form 941 filing deadline requirement.

Recommendation: We recommend that Form 941's be filed in a timely manner for each quarter in the future.

Corrective Action Plan: The District's outside CPA began filing timely returns beginning with the 1<sup>st</sup> quarter of 2020.

Contact Person: Rick Dudley, Fire Chief

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED JUNE 30, 2020

SECTION III - INTERNAL CONTROL AND COMPLIANCE TO FEDERAL AWARDS

N/A

SECTION IV - MANAGEMENT LETTER

N/A

FIRE PROTECTION DISTRICT NO. 1 OF WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2020

SECTION I - INTERNAL CONTROL AND COMPLIANCE TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL

2019-01 Inadequate Segregation of Duties

Unresolved – Repeat Comment

2019-02 Lack of Controls over Capital Assets

Resolved

2019-03 Inadequate Controls over Disbursements

Unresolved – Repeat Comment

2019-04 Lack of Supporting Documentation

Unresolved – Repeat Comment

2019-05 Lack of Reliable Financial Data

Resolved

COMPLIANCE

2019-06 Local Budget Act

Resolved

2019-07 Inadequate Recordkeeping

Unresolved – Repeat Comment

2019-08 Audit Requirement

Unresolved – Repeat Comment

2019-09 Payroll Tax Filing and Remittance

Unresolved – Repeat Comment

SECTION II - INTERNAL CONTROL AND COMPLIANCE TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

N/A