

BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2

ANNUAL BASIC FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT

Year Ended March 31, 2021

*Royce T. Scimemi, CPA, APAC*  
*Oberlin, LA*

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

**TABLE OF CONTENTS**

	<u>Pages</u>
INDEPENDENT AUDITORS' REPORT	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	5
Statement of Activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Balance Sheet - Governmental Funds	9
Reconciliation of Governmental Funds Balance Sheet with Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	11
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with Statement of Activities	12
NOTES TO THE BASIC FINANCIAL STATEMENTS	13-23
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary Comparison Schedule	25
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Compensation Paid to Board Members	27
Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer	28
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29-30
SCHEDULE OF FINDINGS AND RESPONSES	31-32
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS AND RESPONSES (UNAUDITED)	33

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**INDEPENDENT AUDITORS' REPORT**

**Beauregard Parish Police Jury**  
**Fire Protection District Fund No. 2**  
DeRidder, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Beauregard Parish Police Jury Fire Protection District Fund No. 2 (the District), a fund of the Beauregard Parish Police Jury, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 each major fund of the District, as of March 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 25 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.

The District 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

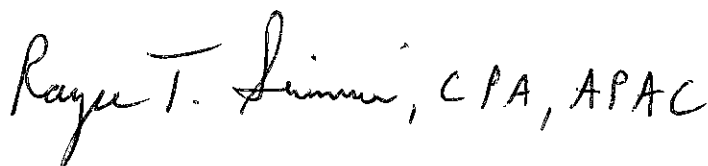
***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation paid to the board members, and the schedule of compensation, benefits and other payments to chief executive officer are presented on pages 27 and 28 as other supplementary information (OSI) for purposes of additional analysis and are not a required part of the basic financial statements. This OSI is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion this OSI 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 March 31, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC  
March 31, 2022



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

**Beauregard Parish Police Jury  
Fire Protection District Fund No. 2  
DeRidder, Louisiana**

**Statement of Net Position  
March 31, 2021**

	<u>Primary Government</u>
	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash in bank	\$ 1,270,214
Cash in bank - restricted	104,901
Receivables	18,394
Land	94,639
Capital assets, net of accumulated depreciation	1,366,233
<b>Total Assets</b>	<b>2,854,381</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Aggregated deferred outflows	--
<b>Total Deferred Outflows of Resources</b>	<b>--</b>
 <b>LIABILITIES</b>	
Accounts payable	5,815
Accrued salaries payable	1,038
Accrued compensated absences	3,115
<b>Total Liabilities</b>	<b>9,968</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Aggregated deferred inflows	--
<b>Total Deferred Inflows of Resources</b>	<b>--</b>
 <b>NET POSITION</b>	
<i>Invested in capital assets, net of related debt</i>	1,460,872
<i>Restricted</i>	104,901
<i>Unrestricted</i>	1,278,640
<b>Total Net Position</b>	<b>\$ 2,844,413</b>

See accompanying notes.

**Beauregard Parish Police Jury  
Fire Protection District Fund No. 2  
DeRidder, Louisiana**

**Statement of Activities  
For the Year Ended March 31, 2021**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Primary Government Governmental Activities</b>
<b>Primary Government Governmental Activities:</b>					
Public safety - fire	\$ 600,596	\$ --	\$ --	\$ --	\$ (600,596)
<b>Total Governmental Activities</b>	<b>600,596</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(600,596)</b>
<b>Total Primary Government</b>	<b>\$ 600,596</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (600,596)</b>
<b>General Revenues :</b>					
					584,394
Ad valorem tax revenue					
Intergovernmental revenue:					
Federal					22,341
State					32,100
Local					23,292
Miscellaneous income					30,667
Interest income					3,882
Proceeds from sale of assets					381,868
<b>Total General Revenues</b>					<b>1,078,544</b>
<b>Change in Net Position</b>					<b>477,948</b>
<i>Net Position at Beginning of Period</i>					2,366,465
<b>Net Position at End of Period</b>					<b>\$ 2,844,413</b>

See accompanying notes.



FUND FINANCIAL STATEMENTS (FFS)

## MAJOR FUND DESCRIPTIONS

### **General Fund**

To account for financial resources traditionally associated with governments, which are not required to be accounted for in another fund.

### **Debt Service Fund**

To account for the accumulation of resources for, and the payment of, long-term debt.

**Beauregard Parish Police Jury  
Fire Protection District Fund No. 2  
DeRidder, Louisiana**

**Balance Sheet  
Governmental Funds  
March 31, 2021**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash in bank	\$ 1,270,214	\$ --	\$ 1,270,214
Cash in bank - restricted	--	104,901	104,901
Receivables	18,394	--	18,394
<b>Total Assets</b>	<b>1,288,608</b>	<b>104,901</b>	<b>1,393,509</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Aggregated deferred outflows	--	--	--
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,288,608</b>	<b>\$ 104,901</b>	<b>\$ 1,393,509</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,815	\$ --	\$ 5,815
Accrued salaries payable	1,038	--	1,038
<b>Total Liabilities</b>	<b>6,853</b>	<b>--</b>	<b>6,853</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Aggregated deferred inflows-unavailable ad valorem taxes	8,604	--	8,604
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>15,457</b>	<b>--</b>	<b>15,457</b>
<b>FUND BALANCE</b>			
Restricted	--	104,901	104,901
Unassigned	1,273,151	--	1,273,151
<b>Total Fund Balances</b>	<b>1,273,151</b>	<b>104,901</b>	<b>1,378,052</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance s</b>	<b>\$ 1,288,608</b>	<b>\$ 104,901</b>	<b>\$ 1,393,509</b>

See accompanying notes.

**Beauregard Parish Police Jury  
Fire Protection District Fund No. 2  
DeRidder, Louisiana**

**Reconciliation of Governmental Funds Balance Sheet with Statement of Net  
Position  
March 31, 2021**

Total Fund Balance - Governmental Funds	\$ 1,378,052
Deferred inflows of resources are not payable from current expendable resources (unavailable ad valorem taxes) and therefore, are not reported in the government-wide financial statements.	8,604
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance.	1,460,872
Compensated absences are expensed as paid in governmental fund statements, expensed as incurred in government-wide statements, and reflected as liability on Statement of Net Position.	(3,115)
<b>Total Net Position - Governmental Activities</b>	<b>\$ <u>2,844,413</u></b>

See accompanying notes.

**Beauregard Parish Police Jury  
Fire Protection District Fund No. 2  
DeRidder, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended March 31, 2021**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Ad valorem tax revenue	\$ 580,722	\$ 200	\$ 580,922
Intergovernmental revenue	77,733	--	77,733
Miscellaneous income	30,667	--	30,667
Interest income	3,466	416	3,882
<b>Total Revenues</b>	<b>692,588</b>	<b>616</b>	<b>693,204</b>
<b>Expenditures</b>			
Current:			
Contract labor	13,359	--	13,359
Dues and subscriptions	567	--	567
Fire fighting supplies	84,679	--	84,679
Fuel	13,220	--	13,220
Insurance	52,476	--	52,476
Office supplies	6,548	--	6,548
Payroll taxes	6,226	--	6,226
Professional fees	12,880	--	12,880
Repairs and maintenance	76,187	--	76,187
Retirement	23,300	--	23,300
Salaries and wages	99,213	--	99,213
Telephone	25,043	--	25,043
Training	1,859	--	1,859
Utilities	12,371	--	12,371
Capital Outlay	322,348	--	322,348
<b>Total Expenditures</b>	<b>750,276</b>	<b>--</b>	<b>750,276</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(57,688)</b>	<b>616</b>	<b>(57,072)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of assets	381,868	--	381,868
<b>Net Change in Fund Balances</b>	<b>324,180</b>	<b>616</b>	<b>324,796</b>
<i>Fund Balances at Beginning of Period</i>	948,971	104,285	1,053,256
<b>Fund Balances at End of Period</b>	<b>\$ 1,273,151</b>	<b>\$ 104,901</b>	<b>\$ 1,378,052</b>

See accompanying notes.

**Beauregard Parish Police Jury  
Fire Protection District Fund No. 2  
DeRidder, Louisiana**

**Reconciliation of Governmental Funds Statement of Revenues, Expenditures,  
Changes in Fund Balances with Statement of Activities  
For the Year Ended March 31, 2021**

Total Net Change in Fund Balances - Governmental Funds	\$	324,796
Fixed assets expensed as capital outlay in governmental fund statements and capitalized as fixed assets in Statement of Net Position.		322,348
Revenues (ad valorem taxes) that are recognized on the full accrual basis for the government-wide financial statements but are not recognized in the funds (unavailable revenue) because they are not considered "available".		3,472
Depreciation expense reflected in government-wide statements and not reflected in governmental fund statements.		(169,553)
Compensated absences are expensed as paid in governmental fund statements, expensed as incurred in entity-wide statements, and reflected as liability on Statement of Net Position.		(3,115)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>477,948</u></b>

See accompanying notes.

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to the Basic Financial Statements  
March 31, 2021

Beauregard Parish Police Jury Fire Protection District Fund No. 2 (the District) was created under the provisions of Louisiana Revised Statutes 40:1491-1510, for the purpose of providing fire protection for the citizens of District 2 of Beauregard Parish. The district is governed by a board of commissioners composed of five members appointed by the Beauregard Parish Police Jury.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of District have been prepared in conformity with generally accepted accounting principles (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.

**1. Financial Reporting Entity**

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

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Beauregard Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization, and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but which are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all members to the governing body and manages the financial transactions of the District, the District is a fund of the Beauregard Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the fund maintained for the District and does not present information on any other police jury funds, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity. The District has no component units.

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**2. Basis of Presentation**

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The accompanying basic financial statements have been prepared in conformity with GASB 34, "Basic Financial Statements and Management's Discussion and Analysis-For State and Local Governments", issued in June 1999.

**Government-Wide Financial Statements (GWFS)**

The statement of net position and the statement of activities display information about the District as a whole. These statements generally include all the financial activities of the District except for fiduciary-agency funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include operating grants and contributions. Revenues that are not classified as program revenues are presented as general revenues.

**Fund Financial Statements (FFS)**

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into one category: governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues or expenditures are at least 10% of the corresponding total for all governmental funds. The major funds of the District are described below:

**Governmental Fund Types:**

**General Fund -**

The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

**Debt Service Fund -**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.



**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**3. *Measurement Focus/Basis of Accounting***

Measurement focus is a term used to describe “which” transactions are recorded within the various basic financial statements. On the government-wide statement of net position and statement of activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. Equity is classified as net position.

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District operations.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

In the government-wide statement of net position and statement of activities, governmental 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 occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions.”

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

**Revenues**

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent after December 31. The taxes are generally collected in December, January, and February of the fiscal year. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

availability period is used for revenue recognition for all other governmental fund revenues. Those revenues susceptible to accrual are property taxes and interest income.

Expenditures

Expenditures are generally recognized and recorded under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Capital expenditures are regarded as expenditures at the time of purchase.

4. Deposits

Deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. State statutes authorize the District to invest in obligations of the U.S. Treasury, U.S. government agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having an office or branch in the State of Louisiana or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana. LAMP generates a local government investment pool.

5. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

6. 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 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. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Useful Lives</u>
Buildings and improvements	10-40 Years
Furniture and equipment	5-10 Years

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.

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**7. Budget**

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. On or before the last meeting of each year, the budget is prepared by function and activity, based on information from the past year and current year estimates for the next fiscal year. The proposed budget is presented to the District's Board of Commissioners for review. The board holds a public hearing. Any changes in the budget must be within the revenues and reserves estimated. The final budget for 2020 consists of the original budget adopted December 10, 2019, which was not amended.

**8. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District as an extension of formal budgetary integration in the funds.

**9. Equity Classification**

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

- a. Invested in capital assets, net of related debt – 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.*
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet either of the above definitions.

The District's policy is to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense or expenditure which has been incurred.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified follows:

- a. Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

- c. Committed – Amounts that can be used for specific purposes determined by a formal action of the Board, which is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.
- d. Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board’s adopted policy, only board members may assign amounts for specific purposes.
- e. Unassigned – All other spendable amounts.

The District’s policy is to use restricted assets first when both restricted and other classes of fund balances are available unless prohibited by legal or contractual provisions. Additionally, the District will use committed and then assigned fund balances prior to utilizing unassigned fund balances when such classifications of fund balance are available for a selected expense or expenditure. However, the District reserves to right to selectively spend unassigned resources and to defer the use of other classified funds.

**10. Compensated Absences**

*Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities. No expenditure is reported for these amounts. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.*

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

*Sick leave is provided in accordance with LA RS 33:1995. The fire chief shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of not less than fifty-two weeks. Vacation is provided in accordance with LA RS 33:1996. The fire chief is granted 4 weeks of vacation time in this fiscal year. A maximum of 2 weeks may be carried forward from previous years. Upon termination, the employee is entitled to any unused vacation leave.*

At March 31, 2021, employees of the District have accumulated \$3,115 in leave privileges, computed in accordance with GASB Statement No. 16.

**11. Use of Estimates**

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Long-Term Debt

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements.

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

NOTE B – DEPOSITS

As of March 31, 2021, the District had cash and interest-bearing deposits (book balances) totaling \$1,375,115. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At March 31, 2021, the District had \$1,393,904 in deposits (collected bank balances), all of which was secured from risk by federal deposit insurance and pledged securities as follows:

Bank balances	<u>\$1,393,904</u>
Federal deposit insurance	\$ 750,000
Pledged securities (Category 3)	<u>643,904</u>
Total	<u>\$1,393,904</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE C - AD VALOREM TAXES

For the year ended March 31, 2021, taxes of 6.75 mills were levied on property with taxable assessed valuations totaling \$90,307,341 dedicated as follows:

Maintenance millage expiring December 31, 2024	6.75 mills
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**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

Total taxes levied during 2020 were \$609,575. Total taxes collected during 2020 were \$578,791. Property tax millage rates are adopted before November for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15<sup>th</sup> of the current year and become delinquent after December 31<sup>st</sup>. Property taxes not paid by the end of February are subject to lien.

**NOTE D - CAPITAL ASSETS**

A summary of changes in capital assets follows:

	03/31/20			03/31/21
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 12,302	\$ 82,337	\$ -	\$ 94,639
Other capital assets:				
Buildings	315,072	17,300	93,500	238,872
Furniture and equipment	<u>2,622,603</u>	<u>222,711</u>	<u>-</u>	<u>2,845,314</u>
Total Capital Assets	2,949,977	322,348	93,500	3,178,825
Less: accumulated depreciation:				
Buildings	233,874	8,309	-	242,183
Furniture and equipment	<u>1,408,026</u>	<u>161,244</u>	<u>93,500</u>	<u>1,475,770</u>
Total Accumulated Depreciation	<u>1,641,900</u>	<u>169,553</u>	<u>93,500</u>	<u>1,717,953</u>
Net Capital Assets	<u>\$1,308,077</u>	<u>\$ 152,795</u>	<u>\$ -</u>	<u>\$1,460,872</u>

Depreciation expense in the amount of \$169,553 was charged to fire fighting and rescue.

**NOTE E – PENSION PLAN**

Firefighters' Retirement System of Louisiana (FRS System)

*Plan Description.* The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized by Louisiana Revised Statutes (R.S.) 11:2251 - 11:2272 as amended. 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.

*Eligibility Requirements.* Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the System is a condition of employment for any full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System.

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

No person who has attained age 50 or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System.

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 therefrom 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.

*Retirement Benefits.* 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 3.333% 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. 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. See R.S. 11:2256(A) for additional details on retirement benefits.

*Disability Benefits.* A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

*Death Benefits.* Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

*Deferred Retirement Option Plan.* After completing 20 years of creditable service and attaining the age of 50 years, 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 DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are 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 withdrawals may be made from the DROP account until the participant retires.

*Initial Benefit Option Plan.* 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

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

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 a DROP account.

*Cost of Living Adjustments (COLAs).* Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "Xx (A+B)," where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System of Louisiana ([www.fret.com](http://www.fret.com)), PO Box 94095, Capital Station, Baton Rouge, Louisiana 70804-9095, or by calling (225) 925-4060. The District did not report GASB 68 data since the only participant of the District began employment in the current fiscal year and was not included in the System's actuarially calculated GASB 68 reports for the requisite prior year measurement period.

*Funding Policy.* Plan members are required by state statute to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The required rate was 27.25% for the months from April through June 2020 and 32.25% from July 2020 through June 2021 of annual covered payroll. The District contributions to the System for the year ending March 31, 2021 was \$23,872. This amount is \$928 more than the required contributions for the year. There was no balance due to the System at March 31, 2021.

**NOTE F - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE G - LITIGATION AND CLAIMS**

The District was not involved in any litigation on March 31, 2021 or during the year then ended, except that the District was named as a defendant on one lawsuit involving an automobile accident. However, no District vehicle or personnel were actually involved in the accident and based on management's opinion, the ultimate disposition of such claim and legal proceeding is not expected to have a material adverse effect on the District's financial position or changes in financial position. If the District is liable at all, management expects any losses or liability to be fully covered by the District's liability insurance coverage.



**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Notes to Basic Financial Statements-Continued  
March 31, 2021

**NOTE H - SUBSEQUENT REVIEW**

The District has evaluated subsequent events through March 31, 2022, the date which the basic financial statements were available to be issued.

**NOTE I - TAX ABATEMENTS**

Louisiana's State Constitution Article VII, Section 21 authorized the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment relating to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the District could receive an increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Beauregard Parish Police Jury and directly affect the District's ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the District's basic financial statements to record a receivable. As of March 31, 2021, \$1,199,438 of assessed property in the District's taxing jurisdiction is receiving this exemption. This resulted in ad valorem tax exemptions amounting to \$8,096 for the maintenance millage.

REQUIRED SUPPLEMENTARY INFORMATION

**Beauregard Parish Police Jury  
Fire Protection District Fund No. 2  
DeRidder, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual  
General Fund  
For the Year Ended March 31, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Ad valorem tax revenue	\$ 553,629	\$ 575,600	\$ 580,722	\$ 5,122
Intergovernmental revenue	25,400	77,733	77,733	--
Miscellaneous income	5,000	30,600	30,667	67
Interest income	14,000	3,500	3,466	(34)
<b>Total Revenues</b>	<u>598,029</u>	<u>687,433</u>	<u>692,588</u>	<u>5,155</u>
<b>Expenditures</b>				
Current:				
Contract labor	6,000	13,000	13,359	(359)
Dues and subscriptions	200	600	567	33
Fire fighting supplies	105,000	84,636	84,679	(43)
Fuel	7,000	13,000	13,220	(220)
Insurance	48,000	53,000	52,476	524
Office supplies	2,000	6,700	6,548	152
Payroll taxes	6,805	6,144	6,226	(82)
Professional fees	2,750	12,750	12,880	(130)
Repairs and maintenance	79,400	76,420	76,187	233
Retirement	--	24,000	23,300	700
Salaries and wages	77,400	100,000	99,213	787
Telephone	18,000	25,000	25,043	(43)
Training	2,000	1,900	1,859	41
Utilities	20,000	12,400	12,371	29
Capital outlay	140,500	322,348	322,348	--
<b>Total Expenditures</b>	<u>515,055</u>	<u>751,898</u>	<u>750,276</u>	<u>1,622</u>
<b>Excess (Deficiency) of Revenues and Over (Under) Expenditures</b>	82,974	(64,465)	(57,688)	6,777
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	--	381,868	381,868	--
<b>Net Change in Fund Balance</b>	<u>82,974</u>	<u>317,403</u>	<u>324,180</u>	<u>6,777</u>
<b>Fund Balance at Beginning of Period</b>	948,971	948,971	948,971	--
<b>Fund Balance at End of Period</b>	<u>\$ 1,031,945</u>	<u>\$ 1,266,374</u>	<u>\$ 1,273,151</u>	<u>\$ 6,777</u>

See accompanying notes.

OTHER SUPPLEMENTARY INFORMATION

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Schedule of Compensation Paid to Board Members

Year Ended March 31, 2021

Tommy McLeod	\$-0-
David Viziant	-0-
Brad Scoggins	-0-
Nancy Tower	-0-
Olin Earl	-0-
Vernon Yellot	<u>-0-</u>
Total Compensation Paid to Board Members	<u>\$-0-</u>

See accompanying notes.

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

Schedule of Compensation, Benefits and Other Payments to  
Chief Executive Officer

Year Ended March 31, 2021

Chief Executive Officer: Dennis W. Baggett, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$89,023
Benefits-insurance	-0-
Benefits-retirement	22,873
Benefits-cell phone	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

See accompanying notes.

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Certified Public Accountants

Member  
Society of Louisiana  
Certified Public Accountants

**INDEPENDENT AUDITORS' 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***

**Beauregard Parish Police Jury**  
**Fire Protection District Fund No. 2**  
DeRidder, Louisiana

**March 31, 2022**

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 the Beauregard Parish Police Jury Fire Protection District Fund No. 2 (the District), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 31, 2022.

**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 to detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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.

Beauregard Parish Police Jury  
Fire Protection District Fund No. 2  
DeRidder, Louisiana  
March 31, 2022  
Page 2

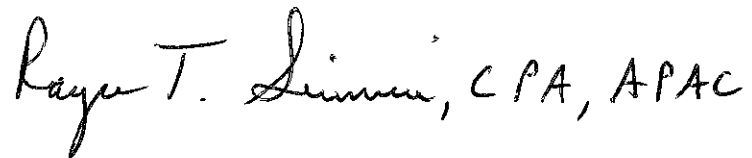
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's basic 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 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 2021-1C, 2021-2C and 2021-3C.

### **Purpose of this Report**

This 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC  
March 31, 2022

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large initial 'R' and 'S'.



**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

**SUMMARY OF FINDINGS AND RESPONSES  
For the Year Ended March 31, 2021**

**Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes     X  no
- Control deficiencies(s) identified that are not considered to be material weakness(es)? \_\_\_ yes     X  none reported
- Noncompliance material to financial statements noted? \_\_\_ yes     X  no

**Current Year Findings – Financial Statement Audit:**

Finding #2021-1C

Article 7 Section 14 of the Louisiana Constitution – Retirement Loan

**Condition:** In January 2021, the District submitted both the employer and employee portions of the retirement contributions to the Firefighter Retirement System of Louisiana for the previous nine months totaling \$24,432 (\$18,514 and \$5,918 for the employer and employee portions, respectively). It was determined that the Fire Chief was entitled to participate from April 1, 2020 and no contributions were previously contributed. Payroll deductions of \$5,294 were made by March 31, 2021 leaving a balance receivable from him of \$624.

**Criteria:** Article 7 Section 14 of the Louisiana Constitution states “the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.” The responsibility to pay the employee’s portion of the retirement contributions was with the Fire Chief and not the District. Therefore, a loan appears to have occurred and Article 7 Section 14 of the Louisiana Constitution may have been violated.

**Cause:** Management oversight.

**Effect:** Possible violation of Article 7 Section 14 of the Louisiana Constitution.

**Recommendation:** In the future, all liabilities of employees should be funded by the employee and not the District.

**Response:** See Corrective Action Plan

Finding #2021-2C

Article 7 Section 14 of the Louisiana Constitution – Overtime Pay

**Condition:** During the fiscal year, the District contracted with its Fire Chief for compensation of \$81,000 (\$75,000 plus \$6,000 for medical expense or medical insurance). During the same fiscal year, his total wages, including overtime worked subsequent to Hurricane Laura, amounted to \$89,023. Therefore, he was overcompensated \$8,023 (\$89,023 - \$81,000). Under the Employment

Conditions section of the employee policy manual, it states "As a salaried exempt employee there is no overtime pay". It further states that "compensation time at rate of 1:1 for a maximum of 10 compensation days per year" would be allowed within six months of accrual. This provision would allow the Fire Chief to take off with pay to compensate him for extra hours on a 1 to 1 hour ratio for hours worked during an emergency like a hurricane.

**Criteria:** Article 7 Section 14 of the Louisiana Constitution states "the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private." The responsibility to pay the Fire Chief by the District for services was limited to its legal liability of \$81,000. Therefore, it appears that the Fire Chief was overcompensated by \$8,023 and Article 7 Section 14 of the Louisiana Constitution may have been violated.

**Cause:** Management oversight.

**Effect:** Possible violation of Article 7 Section 14 of the Louisiana Constitution.

**Recommendation:** Employees should be paid in accordance with their employee contracts, and such contracts and pay should be monitored for compliance.

**Response:** See Corrective Action Plan

#### Finding #2021-3C

##### Overcollection of Ad Valorem Taxes on Paid Bonded Debt

**Condition:** The debt service fund has \$104,901 in cash that was restricted in use to the payment of principal and interest on bonds issued for the purpose of acquisition of capital outlays. The bond was completely paid in a previous fiscal year.

**Criteria:** The fund is required to eliminate any millage associated with bonded debt that is not needed for the debt service requirements.

**Cause:** Management oversight.

**Effect:** Overcollection of ad valorem taxes that are restricted in use to an obligation that no longer exists.

**Recommendation:** Allow the Louisiana Legislative Auditor to determine whether to allow all the funds to be used for the original intended use of capital outlays or to require the District to refund the restricted money to the taxpayers. *In the future, restrict the collection of ad valorem taxes to collect only what is required to fund bonded debt requirements.*

#### **Prior Year Findings:**

There was no separate prior year audit upon which prior year findings could be issued.

#### **Findings and Questioned Costs for Federal Awards:**

N/A

**BEAUREGARD PARISH POLICE JURY  
FIRE PROTECTION DISTRICT FUND NO. 2  
DeRidder, Louisiana**

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS AND  
RESPONSES (UNAUDITED)  
Year Ended March 31, 2021**

Finding #2021-1C:

Article 7 Section 14 of the Louisiana Constitution - Retirement Loan

Upon the inception of any board of commissioners recommending for employment fulltime personnel requiring a retirement plan, the parish will take primacy in researching and determining the details of such plans including employer and employee contributions. Fulltime employees of a political subdivisions requiring retirement plans will not be hired until the details of the retirement plan are determined by the parish and parish HR personnel are informed of the appropriate payroll deductions.

Management is now aware of the requirements of the Article 7 Section 14 of the Louisiana Constitution and will comply in the future.

Finding #2021-2C:

Article 7 Section 14 of the Louisiana Constitution - Overtime Pay

Parish HR personnel will ensure that all employees classified as salaried exempt are paid as required in their employment agreement or contract. Modifications to the payroll record of such employees will not occur until the board of commissioners approves and forwards a resolution with the new agreement or contract to parish HR personnel. This matter will be referred to the Parish District Attorney for their opinion on the appropriate course of action to resolve this overcompensation of the fire district chief.

Management is now aware of the requirements of the Article 7 Section 14 of the Louisiana Constitution and will comply in the future.

Finding #2021-3C:

Overcollection of Ad valorem Taxes on Paid Bonded Debt

The parish bonding attorney recommended, and the board of commissioners were advised, that the overpayment of ad valorem could be used on capital improvements, consistent with the intended use for the bond. Since such actions have not been taken, the parish will engage its bonding attorney to contact the Louisiana Legislative Auditor to determine the final disposition of the ad valorem overpayment.

Management is now aware of the requirement to cease collection of ad valorem taxes on paid bonded debt and will only assess the required millage necessary to make the payments on bonded debt.