

FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA

Annual Financial Statements
Year Ended December 31, 2020

A Component Unit of the
Pointe Coupee Parish Police Jury

FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE
Fire/EMS/Rescue Services
2384 Morganza Hwy
New Roads, Louisiana 70760
(225) 638-7525

GOVERNING BOARD
(Effective January 1, 2020)

Lawrence Smith, Chairman
Harold Terrance
Ty Chaney
Joseph Gosserand
Dania Tolliver

MEETING DATE

Third Monday of Every Month

**FIRE PROTECTION DISTRICT NO. 5 OF THE PARISH
OF POINTE COUPEE, LOUISIANA**

TABLE OF CONTENTS

December 31, 2020

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditors' Report		1
Management's Discussion and Analysis		4
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	11
Statement of Activities	A-1	12
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	A-2	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-3	14
Statement of Revenues, Expenditures, and Changes in Fund Balance	A-4	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	A-5	16
Notes to Financial Statements	A-6	17
Required Supplementary Information:		
Major Fund Budgetary Comparison Schedules:		
General Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B	33
Notes to Required Supplementary Information	B-1	34
Schedule of Compensation, Benefits, and Other Payments to Agency Head	B-2	35

SPECIAL INDEPENDENT AUDITORS' REPORTS

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>	36
Schedule of Findings and Responses	38
Schedule of Prior Year Findings	39

DAIGREPONT & BRIAN

A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

Certified Public Accountants

Board of Commissioners
Fire Protection District No. 5 of the
Parish of Pointe Coupee
New Roads, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fire Protection District No. 5 of the Parish of Pointe Coupee, Louisiana, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 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 December 31, 2020, and the respective changes in financial position thereof 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 the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and 33 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 11, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Daigrepont & Brian, APAC

Daigrepont & Brian, APAC
Baton Rouge, LA

February 11, 2022

Required Supplementary Information

Management's Discussion and Analysis (MD&A) is a required component of financial statements prepared in accordance with generally accepted accounting principles (GAAP). The MD&A is an analysis of the financial condition and operating results of the District written by management. It introduces the basic financial statements and notes. The MD&A should provide an objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, or conditions.

**FIRE PROTECTION FIRE DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

New Roads, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fire Protection Fire District No. 5 of the Parish of Pointe Coupee, Louisiana (the Fire District), we are pleased to provide an overview of our financial activities for the year ended December 31, 2020. Please read it in conjunction with the Fire District's financial statements, which begin on page 11. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

The information contained within this MD&A should be considered only a part of a greater whole, as should all other sections in this financial report. The readers of this statement should take the time to read in conjunction with the financial statements, including the footnotes and the other Required Supplemental Information (RSI) provided as required components of this annual financial report.

FINANCIAL HIGHLIGHTS

In 2020, the Fire District experienced an increase in net position and a decrease in fund balance.

The major financial highlights for 2020 are as follows:

- Assets of the Fire District's primary government exceeded its liabilities at the close of the year by approximately \$7.2 million (net position). Of this amount, approximately \$3.75 million (unrestricted net position) may be used without restrictions to meet the Fire District's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by approximately \$188,000 during 2020.
- As of the end of the year, the primary government's governmental funds reported fund balances of approximately \$3.75 million.
- The General Fund's fund balance decreased by approximately \$141,000 during 2020.

Significant aspects of the Fire District's financial well-being as of and for the year ended December 31, 2020 are detailed throughout this analysis.

USING THIS ANNUAL REPORT

The Fire District's financial statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Fire District's accountability.

This annual report consists of a series of financial statements. The government-wide Statement of Net Position and the Statement of Activities (on pages 11 and 12, respectively) provide information about the activities of the Fire District as a whole and present a longer-term view of the Fire District's finances.

Fund financial statements start on page 13. For governmental activities, these statements illustrate how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Fire District's operations in more detail than the government-wide statements by providing additional information about the Fire District's General Fund.

Reporting on the Fire District as a Whole

Our analysis of the Fire District as a whole begins on page 11. The Statement of Net Position and the Statement of Activities report information about the Fire District as a whole and about its activities in a way to determine if the Fire District is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the full accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Fire District's net position and related changes. One can think of the Fire District's net position - the difference between assets and liabilities - as one way to measure the Fire District's financial health or financial position. Over time, increases or decreases in the Fire District's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as changes in the Fire District's property and sales tax base to assess the overall health of the Fire District.

Governmental activities - All of the Fire District's services are reported here, which include the public safety services and related administration of the Fire District. Property and sales taxes finance most of these activities.

At December 31, 2020, the Fire District's net position was \$7.2 million for governmental activities, of which \$3.75 million was unrestricted. The Fire District does not have restricted net position, which is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Fire District's ability to use that net position for day-to-day operations.

The analysis below of the primary government focuses on the net position and change in net position of the Fire District's governmental activities and is as follows:

Fire Protection District No. 5
of the Parish of Pointe Coupee, Louisiana
Statements of Net Position
December 31, 2020 and 2019
(in thousands)

	2020	2019
Current and other assets	\$ 3,865	\$ 3,976
Capital assets	3,561	3,336
Total assets	7,426	7,312
Current and other liabilities	112	84
Long-term liabilities	105	207
Total liabilities	217	291
Net positions:		
Net investment in capital assets	3,454	3,125
Unrestricted	3,755	3,896
Total net position	\$ 7,209	\$ 7,021

Net position of the Fire District's governmental activities increased by approximately \$188,000 during 2020. The change in net position compared to the prior year increase of approximately \$59,000 was primarily due to decreases in tax revenues of approximately \$70,000 combined with decreases public safety expenses of approximately \$214,000.

The \$3.75 million in unrestricted net position of governmental activities represents the accumulated results of operations, or the residual that would remain after the Fire District paid all of its obligations. The changes in net position are discussed later in this analysis.

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities are as follows:

Fire Protection District No. 5
of the Parish of Pointe Coupee, Louisiana
Statement of Activities
For the years ended December 31, 2020 and 2019
(in thousands)

	2020	2019
Revenues:		
Taxes	\$ 1,143	1,213
Other general revenues	45	63
Total revenues	1,188	1,276
Functions/Programs Expenses:		
Public safety	996	1,210
Interest on long-term debt	4	7
Total expenses	1,000	1,217
Change in net position	188	59
Beginning net position	7,021	6,962
Ending net position	\$ 7,209	\$ 7,021

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. These statements focus on the major funds rather than generic fund types.

Reporting on the Fire District as a Whole

Our analysis of the Fire District's General Fund begins on page 13 with the fund financial statements that provide detailed information about the General Fund. The General Fund is required to be established by state law. However, the Fire District's Board may establish other funds to control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other money. The Board has not established any other funds other than the General Fund.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. All of the Fire District's services are reported in governmental funds.

These governmental funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Fire District's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fire District's programs. The relationship (or differences) between governmental activities, reported in the Statement of Net position and the Statement of Activities, and governmental funds are described in a reconciliation to the financial statements. The Fire District has one governmental fund, which is the General Fund.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and begin on page 17.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Fire District's major fund, the General Fund, which can be found on page 33.

Financial Analysis of the Government's Funds

The general government operations of the Fire District are accounted for in the General Fund. The focus of this fund, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Fire District's financing requirements. The following is a summary of the Fire District's operations for 2020 and 2019 for the General Fund:

	(in thousands)	
	2020	2019
Revenue	\$ 1,188	\$ 1,276
Expenditures	1,329	970
Change in fund balance	(141)	306
Fund balance, beginning of year	3,896	3,590
Fund balance, ending of year	\$ 3,755	\$ 3,896

The Fire District's General Fund experienced a decrease in fund balance of approximately \$141,000 during 2020. At year end, the fund balance of the General Fund was approximately \$3.75 million compared to \$3.9 million at December 31, 2019. Of the \$3.75 million in the General Fund's fund balance, approximately \$32,000 is in non-spendable form and the remaining is unassigned and available for utilization at the Fire District's discretion to fund activities within the Fire District's mission.

(Continued)

Sources of governmental revenues are summarized below:

<u>Source of Revenue</u>	(in thousands)			
	2020		2019	
	<u>Revenue</u>	<u>%</u>	<u>Revenue</u>	<u>%</u>
Taxes	\$ 1,143	96	\$ 1,213	95
Other	<u>45</u>	<u>4</u>	<u>63</u>	<u>5</u>
Total	<u>\$ 1,188</u>	<u>100</u>	<u>\$ 1,276</u>	<u>100</u>

Revenues of the General Fund for 2020 totaled \$1,188,000 compared with \$1,276,000 for 2019. The most significant decrease was in taxes revenue of approximately \$70,000, which was related to a decrease collection of property taxes.

Expenditures of the primary government were \$1,329,000 and \$970,000 for the years ended 2020 and 2019, respectively. Expenditures increased by \$359,000 for the year ended 2020. The largest increase was capital outlay expenditures of \$535,000 (an increase of \$435,000) primarily related to station and tower improvements and the acquisition of capitalizable equipment and gear during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Fire District's General Fund budget was amended on one occasion. The amendment of the operating and capital budgets is a customary practice of the Fire District and is reflective of the financial changes that occur throughout the fiscal year. The most significant reasons for these budget amendments during 2020 were:

- A decrease in ad valorem taxes by \$60,000,
- A decrease in capital outlay expenditures of \$100,000, and
- A decrease in contract protection service expenditures of \$245,000.

With these adjustments, the actual charges to appropriations (expenditures) were \$204,000 less than the related final budget appropriations of \$1,533,000, primarily due to less than expected expenditures for administrative expenses, supplies expenses, contract protection services, and insurance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the Fire District had approximately \$3.6 million invested in a broad range of capital assets, including land, buildings, machinery and equipment. This amount represents a net increase of approximately \$225,000, or 6%, over last year and relates to current year additions exceeding the current depreciation expense recognized. The Fire District's capital assets, net of accumulated depreciation, at December 31, 2020 were as follows:

	Governmental Activities
Land	\$ 139,530
Building and improvements	2,410,378
Machinery and equipment	714,425
Vehicles	296,611
Capital assets, net	\$ 3,560,944

Debt

At year-end, the Fire District had long-term debt outstanding as shown below:

	Balance Beginning of Year	Additions	Reduction	Balance End of Year	Due Within One Year
Governmental Activities:					
Capital lease - rescue pumper	\$ 207,048	\$ -	\$ 102,015	\$ 105,033	\$ 105,033

More detailed information about the Fire District's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Fire District is reliant upon ad valorem and sales tax collections, which account for 96% of its revenues. The Fire District expects its revenues from these sources to remain consistent in 2021. The budget expenditures for 2021 are expected to increase by \$589,000, or 44%, primarily due to capital outlay expenditures of \$603,000, and an increase of almost \$270,000 for contract protection services.

Contacting the Fire District's Financial Management

This financial report is designed to provide a general overview of the Fire District's finances for all those with an interest in the Fire District's finances. If you have questions about this report or need additional financial information, contact the Fire Protection Fire District No. 5 of the Parish of Pointe Coupee, Louisiana, at P.O. Box 1053, New Roads, Louisiana 70760.

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

STATEMENT OF NET POSITION

December 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,499,995
Investments	367,344
Accounts receivable	945,906
Due from other governments	20,016
Prepaid expenses	31,978
Capital assets:	
Non-depreciable	139,530
Depreciable, net	<u>3,421,414</u>
Total assets	<u>\$ 7,426,183</u>
LIABILITIES	
Accounts payable and other accrued liabilities	\$ 75,024
Due to other governments	37,263
Long-term liabilities:	
Due within one year	<u>105,033</u>
Total liabilities	<u>217,320</u>
NET POSITION	
Net investment in capital assets	3,454,089
Unrestricted	<u>3,754,774</u>
Total net position	<u>7,208,863</u>
Total liabilities and net position	<u>\$ 7,426,183</u>

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

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

STATEMENT OF ACTIVITIES

For the year ended December 31, 2020

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Public safety	\$ 995,541	\$ -	\$ -	\$ -	\$ (995,541)
Interest on long-term debt	4,192	-	-	-	(4,192)
Total governmental activities	999,733	-	-	-	(999,733)
General revenues:					
Taxes:					
Ad valorem					950,594
Sales and use					182,344
State revenue sharing					10,558
State fire insurance rebate					31,405
Investment earnings					13,228
Total general revenues					1,188,129
Change in net position					188,396
Net position - beginning of year					7,020,467
Net position - end of year					\$ 7,208,863

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

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**BALANCE SHEET
GOVERNMENTAL FUND**

December 31, 2020

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 2,499,995
Investments	367,344
Accounts receivable	945,906
Due from other governments	20,016
Prepays	<u>31,978</u>
Total assets	<u>\$ 3,865,239</u>
LIABILITIES	
Accounts payable and other accrued liabilities	\$ 73,202
Due to other governments	<u>37,263</u>
Total liabilities	<u>110,465</u>
FUND BALANCE	
Nonspendable	31,978
Unassigned	<u>3,722,796</u>
Total fund balance	<u>3,754,774</u>
Total liabilities and fund balance	<u>\$ 3,865,239</u>

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

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

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

December 31, 2020

Total fund balances - governmental fund (Exhibit A-2)		\$ 3,754,774
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		3,560,944
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Capital lease payable	(105,033)	
Accrued interest	(1,822)	(106,855)
Net position of governmental activities (Exhibit A)		<u>\$ 7,208,863</u>

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

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND**

For the year ended December 31, 2020

	<u>General Fund</u>
REVENUES	
Taxes:	
Ad valorem	\$ 950,594
Sales and use	182,344
State revenue sharing	10,558
Insurance premium rebate	31,405
Interest and other	13,228
Total revenues	<u>1,188,129</u>
EXPENDITURES	
Current function:	
Public safety:	
Administrative	123,905
Contract protection services	175,178
Maintenance	101,588
Insurance	66,362
Supplies	42,696
Professional fees	34,835
Utilities	23,664
Communications	79,601
Training	18,227
Travel	10,482
Protective services	5,893
Other	3,653
Debt service	107,981
Capital outlay	<u>534,899</u>
Total expenditures	<u>1,328,964</u>
Net change in fund balance	(140,835)
FUND BALANCE	
Beginning of year	<u>3,895,609</u>
End of year	<u>\$ 3,754,774</u>

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

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, 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 December 31, 2020

Net change in fund balance - total governmental fund (Exhibit A-4) \$ (140,835)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.

Capital outlay	534,899	
Depreciation expense	<u>(309,457)</u>	225,442

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.

Principal payments on debt		102,015
----------------------------	--	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable		<u>1,774</u>
------------------------------------	--	--------------

Change in net position of governmental activities (Exhibit A-1)		<u>\$ 188,396</u>
---	--	-------------------

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

**FIRE PROTECTION DISTRICT NO. 5 OF THE PARISH
OF POINTE COUPEE, LOUISIANA**

New Roads, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Fire Protection District No. 5 of the Parish of Pointe Coupee, Louisiana (the Fire District) was created by a resolution of the Pointe Coupee Parish Government (the Parish) in 1981. The Fire District operates under the commission of government and provides fire protection services to all of the territories within the limits of Pointe Coupee Election Districts 7, 8, 9, and portions of Election Districts 4 and 6, as said Election Districts were constituted in 1981, the District was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto.

Statement Presentation

The financial statements of the Fire District have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant accounting policies established in GAAP and used by the Fire District are described below.

The financial statements comply with GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Fire District’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Fire District’s activities.
- A change in the fund financial statements to focus on the major funds.

The Fire District’s basic financial statements consist of the government-wide statements of the primary government (the Fire District) and the fund financial statements (the General Fund). The Fire District’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

As stated previously, the Fire District was created by a resolution of the Pointe Coupee Parish Government in 1981, a political subdivision. The Fire District does not possess all of the corporate powers necessary to make it a legally separate entity from the Pointe Coupee Parish Government, which holds the Fire District's corporate powers. For this reason, the Fire District is a component unit of the Parish, the financial reporting entity. In accordance with LRS 40:1494 the Fire District is managed by a board of five commissioners. Two commissioners are appointed by the Pointe Coupee Parish Government and two are appointed by the City of New Roads. These four commissioners then appoint the fifth to act as Chairman of the Board.

GASB Statement No. 61, *The Reporting Entity*, established criteria for determining which component units should be considered part of the Fire District for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

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

As required by generally accepted accounting principles, these financial statements present the Fire District; there are no component units to be included either blended within the Fire District's funds or discretely presented in these financial statements.

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the Fire District. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. The Fire District consists of one governmental fund, the General Fund.

Governmental Fund Types

Governmental funds are those through which governmental functions of the Fire District are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Fire District are accounted for through governmental funds. Measurement is focused upon determining changes in financial position rather than net income. The following are the governmental fund types of the Fire District:

General Fund - The general fund is the general operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, are recorded as earned since they are measurable and available.

Non-exchange transactions, in which the Fire District receives value without directly giving value in return, include sales tax, ad valorem tax, and federal and state aid and grants.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December of the current year and January and February of the year subsequent to its assessment. Furthermore, the Fire District budgets the use of ad valorem taxes on a fiscal year basis. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the Fire District is entitled to the funds, generally corresponding to when grant-related costs are incurred by the Fire District, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments and compensated absences, which are recorded as expenditures in the governmental fund when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

Cash and Cash Equivalents

Cash includes amounts in demand deposit accounts, interest-bearing demand deposit accounts, and money market accounts. Cash equivalents include amounts in savings and time deposits and certificates of deposit with original maturities of ninety days or less. Certificates of deposit with maturities of more than ninety days are classified as investments.

The investment policy of the Fire District is governed by state statutes that include depository and custodial contract provisions. The Fire District invests funds in accordance with La. R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully-collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Fire District has a custodial agreement. The Fire District utilizes the Louisiana Asset Management Pool to invest idle funds.

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amounts are charged directly to the revenue reported.

Inventory

Inventories of supplies are immaterial and are recorded as expenditures when purchased rather than when consumed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Government-wide Statements

The accounting treatment of property, plant, equipment, and infrastructure assets (e.g. fire hydrants) (capital assets), are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The Fire District's capitalization policy stipulates a capitalization threshold of \$500.

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

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

Buildings	40 years
Improvements	12 - 40 years
Fire hydrants and water supply lines	25 years
Furniture and fixtures	5 - 12 years
Machinery and equipment	4 - 10 years
Vehicles	10 - 15 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as capital outlay expenditures in the governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consist of net position that is restricted by the Fire District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors. The Fire District has no restricted net position at year end.
- Unrestricted - all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of the Fire District Charter, the Fire District Code, state or federal laws, or externally imposed conditions by grantors or creditors. The Fire District has no restricted fund balance at year end.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by Commission ordinance. This includes the budget reserves. The Fire District has no committed fund balance at year end.
- Assigned - Amounts that are designated by the Chairperson for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Commission. The Fire District has no assigned fund balance at year end.
- Unassigned - All amounts not included in other spendable classifications.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Fire District's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting

Policy and Practice

The Chairman submits an annual budget for the General Fund to the Commissioners in accordance with Louisiana Local Government Budget Act. The budget is presented to the Commissioners for review, and public hearings are held to address the proposed appropriations. Once approved and adopted by the commissioners, the commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Basis of Budgeting

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Commissioners. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Various amendments to the budget were made throughout the year.

The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annual budgeted funds lapse at fiscal year-end.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation.

Subsequent Events

In preparing these financial statements, the Fire District has evaluated events and transactions for potential recognition or disclosure through February 11, 2022, which was the date the financial statements were available to be issued.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents

At December 31, 2020, the carrying amount of the Fire District's deposits and cash on hand totaled \$2,499,995 and the related bank balances were \$2,517,129.

Investments

The Fire District may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Certificates of Deposit

At December 31, 2020, the fair value/carrying value of investments in the certificates of deposit totaled \$206,279 with all securities maturing within one year.

Louisiana Asset Management Pool (LAMP)

As of December 31, 2020, the Fire District had a balance of \$161,065 invested in LAMP.

The Louisiana Asset Management Pool (LAMP) is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools 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 in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial 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.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Louisiana Asset Management Pool (Continued)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets are restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP's report can be obtained from their website www.lamppool.com.

Cash and Investments Summary

The following is a reconciliation of the carrying amount of deposits and investments to "Cash and cash equivalents" for the Primary Government on the combined balance sheet.

Cash and cash equivalents:	
Demand deposits	\$ 2,499,930
Cash on hand	<u>65</u>
Total cash and cash equivalents	<u>2,499,995</u>
Investments:	
Certificates of deposit	206,279
LAMP	<u>161,065</u>
Total investments	<u>367,344</u>
Total	<u>\$ 2,867,339</u>

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Collateralization

Custodial credit risk is the risk that in the event of a financial institution failure, the Fire District's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution.

The above stated bank balances of cash and cash equivalents are collateralized as follows:

	<u>Bank Balance</u>
Federal deposit insurance (FDIC)	\$ 250,000
Pledged securities	1,987,492
Cash equivalents not subject to collateralization:	
Raymond James	<u>279,637</u>
Total bank balances of cash and cash equivalents	<u>\$ 2,517,129</u>

NOTE 3 - FAIR VALUE MEASURES

Investment Valuation and Income Recognition

In accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Application and Measurement*, all investments are reported at fair value with gains and losses included in the statement of activities.

The Fire District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Fire District has the ability to access.

(Continued)

NOTE 3 - FAIR VALUE MEASURES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

The Fire District does not have any investments measured using Level 2 or 3 inputs at December 31, 2020.

The Fire District’s investments are stated at fair value. Investment income includes dividends and interest earned on investments, the realized net gain and/or loss from trade of investments, and net unrealized gain and/or loss resulting from market value fluctuations of investments held at year-end relative to cost. All investment income is unrestricted.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Fire District’s investment policy does not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

	Cost	Fair Value at December 31, 2020	
		Level 1	Total
Certificates of deposits	\$ 206,279	\$ 206,279	\$ 206,279
Investments not subject to categorization:			
Louisiana Asset Management Pool		161,065	161,065
Total Investments		\$ 367,344	\$ 367,344

NOTE 4 - AD VALOREM TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (L.R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (La.R.S. 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (La.R.S. 47:2181). Therefore, there are no delinquent taxes at year end.

For the year ended December 31, 2020, taxes of 5.06 mills were levied for general government and public purposes on property with taxable assessed valuations totaling \$187,998,384. Total taxes levied were \$951,272. Property tax millage rates are adopted in 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 December 31 of the current year and become delinquent thereafter. At December 31, 2020, the Fire District's outstanding ad valorem taxes receivable were \$945,906.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 139,530	\$ -	\$ -	\$ 139,530
Construction in progress	13,074	-	13,074	-
Total capital assets, not being depreciated	<u>152,604</u>	<u>-</u>	<u>13,074</u>	<u>139,530</u>
Capital assets being depreciated:				
Buildings and improvements	3,175,431	362,028	-	3,537,459
Machinery and equipment	3,784,340	183,887	-	3,968,227
Vehicles	4,641,494	2,058	-	4,643,552
Total capital assets, being depreciated	<u>11,601,265</u>	<u>547,973</u>	<u>-</u>	<u>12,149,238</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,041,133)	(85,948)	-	(1,127,081)
Machinery and equipment	(3,102,378)	(151,424)	-	(3,253,802)
Vehicles	(4,274,856)	(72,085)	-	(4,346,941)
Total	<u>(8,418,367)</u>	<u>(309,457)</u>	<u>-</u>	<u>(8,727,824)</u>
Total capital assets, being depreciated, net	<u>3,182,898</u>	<u>238,516</u>	<u>-</u>	<u>3,421,414</u>
Governmental activities capital assets, net	<u>\$ 3,335,502</u>	<u>\$ 238,516</u>	<u>\$ 13,074</u>	<u>\$ 3,560,944</u>

Depreciation expense of \$309,457 was charged to the public safety function within governmental activities.

NOTE 6 - LONG-TERM DEBT – CAPITAL LEASES

The Fire District entered a governmental lease purchase agreement to acquire a rescue pumper fire apparatus in 2015. Total cost of the rescue pumper fire apparatus was \$693,952 with an interest rate of 2.781%. The lease is to be paid in seven annual payments of \$107,768 with the final payment due May 2021.

NOTE 6 - LONG-TERM DEBT – CAPITAL LEASES (CONTINUED)

Debt Outstanding

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

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Capital lease - rescue pumper	\$ 207,048	\$ -	\$ 102,015	\$ 105,033	\$ 105,033

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at December 31, 2020, are as follows:

Year	Principal	Interest	Total
2021	\$ 105,033	\$ 2,735	\$ 107,768

NOTE 7 - COST SHARING PENSION PLAN

Plan Description, Contribution Information, and Funding Policies

In accordance with LA R.S. 33:2036 G. (2), the Fire District provides a Length of Service Awards Program (LOSAP) to all eligible volunteer firemen based upon the Fire District's point system used to determine who is active. The program provides two benefits:

1. Pre-Entitlement Death, if a member dies before reaching entitlement age, the named beneficiary will receive the greater of \$20,000, (the face of the life insurance provided by the plan), or the present value of the member's earned benefit. This lump-sum benefit is payable upon death from any cause. It is not limited to emergency duty. This applies to all members ages 65 and younger (without evidence of insurability) as well as those members over age 65 who qualify for life insurance. Non-insured members will receive the value of their earned benefit payable in the manner established by the plan sponsor.

Plan Description, Contribution Information, and Funding Policies (Continued)

2. Pre-Entitlement Benefit, at entitlement age, members are entitled to a monthly income from the plan payable for life, with 120 payments guaranteed. The benefit formula in this plan is:
 - a. \$20 per month for each year of past service (service before the plan begins) to a maximum of 15 years.
 - b. \$20 per month for each year of future service (service after the plan begins).
 - c. \$800 maximum monthly benefit (40 total years of service).

NOTE 7 - COST SHARING PENSION PLAN (CONTINUED)

The monthly entitlement benefits begin at age 60 and after, for members participating in the plan for at least 1 year. The term "entitlement" is used rather than "retirement" because volunteers do not have to leave the organization or become less active to draw benefits. Each year of active service adds to member's monthly benefit. This benefit becomes 100% vested (guaranteed) after 5 years of service.

There were no contributions in 2020 as none of the firemen met the eligibility requirements to receive a contribution.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Risk Management

The Fire 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; employee health and life; and natural disasters. The Fire District has purchased various insurance policies to cover such risks. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Fire District. Settled claims have not exceeded this insurance coverage in recent years.

NOTE 9 - COMPENSATION TO THE GOVERNING BODY

The Fire District board of commissioners received the following compensation in 2020:

Joe M Gannon	\$ 30
Gregory A Johnson	90
Dania W Tolliver	120
Harold J Terrance	330
Joseph E Gosserand	270
Ty D Chaney	330
Kim R Neal	30
Lawrence Smith, Jr	420
	<u>\$ 1,620</u>

NOTE 10 - ON-BEHALF PAYMENTS

The Fire District is one of several governmental agencies receiving proceeds from a property tax assessment. State law (R.S. 11:82) requires the Fire District to bear a pro-rata share of the pension expense relating to state and statewide public retirement systems. The Fire District's pro-rata share of the required contribution was \$37,263 for 2020, which was withheld by the Pointe Coupee Parish Sheriff from property tax collections to satisfy the Fire District's obligation and is reflected in due to other governments. The Sheriff withholds the entire amount of this obligation in January each year even though some of the property taxes may never be collected.

NOTE 11 - SUBSEQUENT EVENTS

The COVID-19 pandemic has affected both the local and global economy, and while the Fire District is not immune to the effects of the pandemic, the ultimate impact is not determinable at this time. The pandemic could negatively impact the availability of resources, such as property and sales taxes, which would have a negative effect on the Fire District's operating results.

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

GENERAL FUND

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

For the year ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
REVENUES				
Taxes:				
Ad valorem	\$ 1,080,000	\$ 1,020,000	\$ 950,594	\$ (69,406)
Sales and use	150,000	150,000	182,344	32,344
Insurance premium	33,150	32,000	31,405	(595)
State revenue sharing	10,000	10,000	10,558	558
Interest and other	5,300	16,900	13,228	(3,672)
	<u>1,278,450</u>	<u>1,228,900</u>	<u>1,188,129</u>	<u>(40,771)</u>
Total revenues				
EXPENDITURES				
Current function:				
Public safety:				
Contract protection services	440,575	219,575	175,178	44,397
Administrative	220,600	202,600	123,905	78,695
Insurance	105,000	95,000	66,362	28,638
Maintenance	75,500	104,500	101,588	2,912
Communications	87,000	92,000	79,601	12,399
Training	56,000	25,500	18,227	7,273
Professional fees	39,000	33,000	34,835	(1,835)
Supplies	111,250	107,250	42,696	64,554
Protective services	23,500	16,500	5,893	10,607
Utilities	29,500	24,500	23,664	836
Travel	21,000	12,000	10,482	1,518
Other	8,250	5,450	3,653	1,797
Debt service	107,768	108,018	107,981	37
Capital outlay	587,520	487,520	534,899	(47,379)
	<u>1,912,463</u>	<u>1,533,413</u>	<u>1,328,964</u>	<u>204,449</u>
Total expenditures				
Net change in fund balance	<u>\$ (634,013)</u>	<u>\$ (304,513)</u>	(140,835)	<u>\$ 163,678</u>
FUND BALANCE				
Beginning of year			<u>3,895,609</u>	
End of year			<u>\$ 3,754,774</u>	

**FIRE PROTECTION DISTRICT NO. 5 OF THE PARISH
OF POINTE COUPEE, LOUISIANA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Chairman of the governing board prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis, covers the General Fund. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the governing board and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

Basis of Accounting

The Fire District's budget is prepared on the modified accrual basis of accounting as described in Note 1 to the Fire District's financial statements for the year ended December 31, 2020.

**FIRE PROTECTION DISTRICT NO. 5
OF THE PARISH OF POINTE COUPEE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

December 31, 2020

Agency Head: Mr. Lawrence Smith, Jr., Board Chairman

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 420
Per diem	544
Total	<u>\$ 964</u>

DAIGREPONT & BRIAN

A Professional Accounting Corporation

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*

To the Board of Commissioners
Fire Protection District No. 5 of the
Parish of Pointe Coupee
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Fire Protection District No. 5 of the Parish of Pointe Coupee (the "District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 11, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the provisions of the Louisiana Governmental Audit Guide and which are described in the accompanying schedule of findings and questioned costs as item 2020-01.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned cost. The 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.

Daigrepoint & Brian, APAC

Daigrepoint & Brian, APAC
Baton Rouge, LA

February 11, 2022

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**
Schedule of Findings and Responses
December 31, 2020

Section A - Summary of Auditor's Reports

- The auditor's report expresses an unqualified opinion on the basic financial statements of Fire Protection District No. 5 of the Parish of Pointe Coupee Parish, Louisiana.
- There was one instance of noncompliance or other matters noted during the audit of the basic financial statements.
- No significant deficiency or material weakness was disclosed during the audit of the basic financial statements.

Section B - Financial Statement Findings

2020-01 – Filing with the Louisiana Legislative Auditor

Condition:

The District failed to submit their audit report to the Louisiana Legislative Auditor's office by the due date, including all applicable extension.

Cause:

Management was unable to close the year and provide information to the auditor to allow the audit to be completed in a timely manner.

Effect:

Due to delays in providing the information to the auditor the engagement was not able to be completed and filed with the Louisiana Legislative Auditor by the due date, including all applicable extensions.

Criteria:

Management's accounting policies should include procedures to allow for a timely year end close.

Recommendations:

We suggest planning and preparation be made to anticipate circumstances which would delay the report beyond the required filing date.

Management's Response:

Management acknowledges the condition noted above and will take these recommendations under advisement. The last fiscal year was difficult for the District due to the continued effects of COVID-19, setting up stations to administer the COVID-19 vaccine, and delays caused by natural disasters. We have made the appropriate adjustments to prevent future delays in processing information to the auditing firm.

**FIRE PROTECTION DISTRICT NO. 5 OF THE
PARISH OF POINTE COUPEE, LOUISIANA**
Schedule of Prior Year Findings
December 31, 2019

Findings

There were no prior year audit findings.