

Fire Protection District No. 6 of Bienville Parish  
Castor, Louisiana

Annual Financial Statements  
For the Year Ended December 31, 2020

Fire Protection District No. 6 of Bienville Parish

Annual Financial Statements  
For the Year Ended December 31, 2020  
With Supplemental Information Schedules

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Fire Protection District No. 6 of Bienville Parish  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020

The management of the Fire Protection District No. 6 of Bienville Parish offers readers of the Fire Protection District No. 6 of Bienville Parish's (District) financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the District's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of District finances. It is also intended to provide readers with an analysis of the District's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* ("GASB No. 34") issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

#### FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities at December 31, 2020, by \$1,917,067 (net position).

The District's net position increased by \$259,601 as a result of this year's operations.

Total net position are comprised of the following:

Capital assets of \$1,287,641 which includes property and equipment, net of accumulated depreciation and related debt.

Unrestricted net position of \$629,426 represent the portion available to maintain the District's continuing obligations to citizens and creditors.

At December 31, 2020, the District's governmental funds consist solely of the District's general fund. The District's governmental funds reported a total ending fund balance of \$612,735, an increase of \$41,547 including expenditures for capital assets. The entire fund balance is unreserved available for spending at the District's discretion.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. In accordance with GASB No. 34, the District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Fire Protection District No. 6 of Bienville Parish  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020

**Government-wide Financial Statements.** The government-wide financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. They present the financial picture of the District from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term obligations).

*The Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

*The Statement of Activities* presents the current year's revenues and expenses and other information showing how the District's net position changed during the year. The change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements are presented on pages 9 and 10 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund - the general fund. The District adopts an annual appropriated budget for the general fund, and a budgetary comparison schedule is provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements are presented on pages 11 and 13 of this report.

**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.

Fire Protection District No. 6 of Bienville Parish  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentation. The general fund's budgetary comparison schedule is included as "required supplementary information." Required supplementary information is information that the accounting rules strongly suggest be presented within the District's financial report. This schedule demonstrates compliance with the District's adopted and final revised budget.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District implemented the new financial reporting model used in this report beginning with the calendar year ended December 31, 2009. Over time, as we accumulate year-to-year financial information on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

The District's net position at December 31, 2020, are summarized as follows:

The largest components of the Districts' total assets are: (1) capital assets (e.g., land, building, and improvements and equipments, net of accumulated depreciation) of \$1,287,641 or 65%; (2); and receivables of \$455,140 or 23%. Of the District's total liabilities, the largest component is accounts payable of \$59,598 or 100%.

As noted earlier, net position (total assets less total liabilities) may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the District's net position totaled \$1,917,067. A portion of the District's net position reflect its investments in capital assets (e.g., building, land, and equipment). Capital assets are non-liquid assets and cannot be utilized to satisfy the District's obligations. The unrestricted net position of the District are available for future use. The unrestricted net position is more than the total operating expenses for the fiscal year ended December 31, 2020, which indicate that the District should be able to operate for at least 12 months using its unrestricted net position.

The following is a condensed statement of the District's governmental-type activities net position as of December 31, 2020:

	<u>2020</u>	<u>2019</u>
Assets		
Current & Other Assets	\$689,024	\$596,640
Capital Assets (net)	<u>1,287,641</u>	<u>1,086,278</u>
Total Assets	<u><u>\$1,976,665</u></u>	<u><u>\$1,682,918</u></u>
Liabilities		
Other Liabilities	\$59,598	\$25,452
Capital lease payable	<u>0</u>	<u>0</u>
Total Liabilities	<u><u>\$59,598</u></u>	<u><u>25,452</u></u>
Net Position		
Invested in capital assets, net	1,287,641	1,086,278
Unrestricted	<u>629,426</u>	<u>571,188</u>
Total Net Position	<u><u>\$1,917,067</u></u>	<u><u>\$1,657,466</u></u>

Governmental activities increased net position by \$259,601 for the year ended December 31, 2020.

Fire Protection District No. 6 of Bienville Parish  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020

Key elements of the analysis of government-wide revenues and expenses reflect the following:

The District is heavily dependent on property taxes to support its operations. Property taxes provided 69% of the District's total revenues. The District's operations are heavily staff oriented. As a result, employee salaries and benefits make up approximately 32% of the total expenses. Operating Services expenses comprise 33% of total expenses.

The following is a summary of the governmental-type statement of activities:

	<u>2020</u>	<u>2019</u>
Revenue		
Program Revenue	\$203,637	\$0
General Revenue & Transfers	520,247	485,512
Total Revenue	<u>723,884</u>	<u>485,512</u>
Expenses		
Program Expenses	464,283	572,173
Total Expenses	<u>464,283</u>	<u>572,173</u>
Increase (Decrease) in Net Position	259,601	(86,661)
Net Position, Beginning	<u>1,657,466</u>	<u>1,744,127</u>
Net Position, Ending	<u>\$1,917,067</u>	<u>\$1,657,466</u>

#### FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial statements of the District present its General Fund. The General Fund is the District's operating fund and the source of day-to-day service delivery. As discussed, the General Fund is useful in assessing the resources available at the end of the year in comparison with upcoming requirements.

At December 31, 2020, the District's General Fund balance (total assets less total liabilities) totaled \$612,735. The District's unassigned fund balance increased by \$41,547 in 2020.

Total operating revenues reflect an 43% or \$209,836 increase in 2020 as compared to 2019.

Total operating expenses, including capital outlay, decreased by 6% or \$46,097 from 2020 to 2019. The most significant decreases in expenditures occurred in operating services which increased by \$28,498 and capital outlay which decreased by \$67,001.

#### GENERAL BUDGETARY ANALYSIS

The District employs formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis) include the original adopted budget amounts and the final amended budget amounts. Original budgets for each year are adopted on or before December 31 of the year preceding the budget year. The original budget is based on estimated revenues, estimated expenses, and other financial information known to the District at the time of the adoption of the budget. Amendments to the original budget are made throughout the year as changes in operations, in expected funding levels, and in estimated expenditures occur. The final amended budget is prepared

Fire Protection District No. 6 of Bienville Parish  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020

at the time the District anticipates no additional significant increases or decreases in revenues and expenses for the year and no expected changes in operations.

The difference between the final amended budgeted revenues and actual revenues for the year ended December 31, 2020, totaled \$2,929, a positive variance. The actual expenditures were less than the final amended budgeted expenditures for the year ended December 31, 2020, by \$198,618, a positive variance.

#### CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

##### Capital Assets

At the end of December 31, 2020, the District had invested in various capital assets, including equipment, buildings, improvements, and land. The capital assets are summarized below:

Depreciable Assets:	
Buildings and improvements	\$913,265
Equipment	483,215
Vehicles	2,115,159
Construction in progress	315,762
Land	<u>100,000</u>
Totals	3,927,401
Less Accumulated Depreciation	<u>2,639,760</u>
Book-Value of Depreciable Assets	<u><u>\$1,287,641</u></u>

#### ECONOMIC FACTORS AND FUTURE OUTLOOK

The District's budgeted revenues and expenditures for 2021 are comparable to 2020's actual revenues and expenditures. The District does not anticipate any changes in its day-to-day operations that will have a material effect on its 2021 budget.

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chairman Alvie Myers, at PO Box 190, Castor, Louisiana 71016.



# WADE & PERRY

Certified Public Accountants

A Professional Accounting Corporation

Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Board of Commissioners  
Fire Protection District No. 6 or Bienville Parish  
Castor, Louisiana

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities of Fire Protection District No. 6 or Bienville Parish ("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 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.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 5 and 28 through 29 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 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 is 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of compensation, benefits, and other payments to agency head 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 a report dated April 30, 2021, 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 to describe the scope of our testing of internal control over financial reporting and

compliance and the results of the 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.

*Wade & Perry*

Ruston, Louisiana

April 30, 2021

## Statement A

Fire Protection District No. 6 of Bienville Parish  
Statement of Net Position  
December 31, 2020

## ASSETS

Cash and equivalents	\$233,884
Receivables	455,140
Capital assets (net)	<u>1,287,641</u>
TOTAL ASSETS	<u>\$1,976,665</u>

## LIABILITIES

Accounts, salaries, and other payables	\$59,598
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## NET POSITION

Prior Period Adjustment	0
Net investment in capital assets	1,287,641
Unassigned	<u>629,426</u>
TOTAL NET POSITION	<u>\$1,917,067</u>

The accompanying notes are an integral part of this statement.

## Statement B

Fire Protection District No. 6 of Bienville Parish  
Statement of Governmental Fund Revenues,  
Expenditures, and Changes in Fund Balances/  
Statement of Activities  
For the Year Ended December 31, 2020

Expenditures/Expenses	
Public safety:	
Personal services	\$147,032
Operating services	154,523
Materials and supplies	14,064
Travel	2,100
Intergovernmental	13,894
Depreciation expense	132,670
Total Expenditures/Expenses	<u>464,283</u>
Program Revenues	
Capital outlay state reimbursement	197,325
State grant	6,312
Net Program Expense	<u>(260,646)</u>
General Revenues	
Ad valorem taxes	497,980
Fire insurance rebate	7,825
Interest earned	1,426
Other revenues	1,121
Special items - gain on disposal of assets	11,895
Total General Revenues	<u>520,247</u>
Change in Net Position	259,601
Beginning of Year	<u>1,657,466</u>
End of Year	<u><u>\$1,917,067</u></u>

The accompanying notes are an integral part of this statement.

## Statement C

Fire Protection District No. 6 of Bienville Parish  
Balance Sheet, General Fund  
December 31, 2020

## ASSETS

Cash and cash equivalents	\$233,884
Receivables	<u>455,140</u>
TOTAL ASSETS	<u>\$689,024</u>

## LIABILITIES AND FUND EQUITY

Accounts, salaries, and other payables	59,598
Deferred revenue	<u>16,691</u>
Total liabilities	76,289
Fund equity - fund balance - unassigned	<u>612,735</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$689,024</u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 6 of Bienville Parish  
 Reconciliation of The Governmental Funds Balance Sheet  
 to The Government-Wide Financial Statement of Net Position  
 December 31, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds (Statement C)	\$612,735
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Deferred revenues are not financial resources and, therefore, are not reported in the governmental fund	16,691
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds:

Governmental capital assets	3,927,401	
Less accumulated depreciation	<u>(2,639,760)</u>	<u>1,287,641</u>
Total Net Position of Governmental Activities (Statement A)		<u><u>\$1,917,067</u></u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 6 of Bienville Parish  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - General Fund  
For the Year Ended December 31, 2020

<b>REVENUES</b>	
Ad valorem taxes	\$481,339
Fire insurance rebate	7,825
Interest earned	1,426
Other revenues	1,121
Capital outlay state reimbursement	197,325
State grant	<u>6,312</u>
Total Revenues	695,348
<b>EXPENDITURES</b>	
Public safety:	
Personal services	147,032
Operating services	154,523
Materials and supplies	14,064
Travel and other	2,100
Capital outlay	334,083
Intergovernmental	<u>13,894</u>
Total Expenditures	<u>665,696</u>
Excess (Deficiency) of Revenues over Expenditures	29,652
<b>OTHER FINANCING SOURCES (USES)</b>	
Proceeds from disposal of fixed assets	<u>11,895</u>
Total other financing sources (uses)	<u>11,895</u>
Excess (Deficiency) of Revenues and other sources over Expenditures and other uses	41,547
Fund Balances – beginning	571,188
Prior period adjustment	<u>0</u>
Fund Balances – ending	<u><u>\$612,735</u></u>

The accompanying notes are an integral part of this statement.



Fire Protection District No. 6 of Bienville Parish  
 Reconciliation of The Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2020

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	\$41,547
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Some revenues reported in the statement of activities are not available as current financial resources and, therefore are not reported as revenues in the governmental	16,641
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$334,083) exceeded depreciation (\$189,842) in the current period.

<u>144,241</u>
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Change in Net Position of Governmental Activities, Statement B

<u><u>\$202,429</u></u>
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The accompanying notes are an integral part of this statement.

## Notes to the Financial Statements

Fire Protection District No. 6 of Bienville Parish  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fire Protection District No. 6 of Bienville Parish ("District") was created by the Bienville Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 13, 1977. The district is governed by a five member board, two members appointed by the police jury, one member appointed by the Town of Castor, one member appointed by the Town of Bienville, and one appointed by board members. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

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

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville 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 financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Bienville 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. This criteria includes:

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 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.

Fire Protection District No. 6 of Bienville Parish  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2020

Because the police jury created the district, appoints certain commissioners, and has the ability to impose its will on the district, the district was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Basic Financial Statements - Government-Wide**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds. The major individual governmental fund, which is the general fund, is reported in the fund financial statements.

The government-wide financial statements are reported using 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 Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district's general revenues.

**Allocation of Indirect Expenses** - The district reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in

Fire Protection District No. 6 of Bienville Parish  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2020

the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the district are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

Governmental Fund Type

General Fund - The General Fund is the principal fund of the district and is used to account for the operations of the district's office. The various fees and charges due to the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. 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

Fire Protection District No. 6 of Bienville Parish  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2020

balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under 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 interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

#### Revenues

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes and other intergovernmental revenues have been treated as susceptible to accrual.

#### Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Fire Protection District No. 6 of Bienville Parish  
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E. CASH AND CASH EQUIVALENTS

Under state law, the fire district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the fire district has cash and cash equivalents (book balances) totaling \$233,884.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal 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. 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 fire district that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Fire District's name.

These deposits are secured as follows:

Bank balances	<u>\$236,236</u>
Federal deposit insurance	\$233,884
Pledged securities (uncollateralized)	<u>0</u>
Total	<u>\$233,884</u>

F. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the police jury maintains coverage on the fire district. The policy covers general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2020.

G. EQUITY CLASSIFICATIONS

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

Fire Protection District No. 6 of Bienville Parish  
Notes to the Financial Statements  
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- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing 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 the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Nonspendable* - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* - represents balances where constraints have been established by parties outside the District's office or imposed by law through constitutional provisions or enabling legislation.

*Committed* - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority.

*Assigned* - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

*Unassigned* - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$612,735. If applicable, the District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.



Fire Protection District No. 6 of Bienville Parish  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2020

## H. ESTIMATES

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

## 2. LEVIED TAXES

The district is authorized to levy a maximum tax of 6.89 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 7.19 mills for 2020. The tax was renewed and will expire with the 2020 tax roll.

The difference between authorized and levied millage is the result of reassessments of taxable property in the parish, as required by Article VII, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2020 assessed valuation (amounts expressed in thousands).

	Assessed Valuation	% of Total Assessed Valuation
ETC Tiger Pipeline	28,347,460	44.80%
Bear Creek Storage	5,733,940	9.06%
Gulf South Pipeline	3,228,819	5.10%
Enable Gas Transmission	3,221,134	5.09%
Enterprise TE Pipeline Co	3,178,340	5.02%
Total	<u>43,709,693</u>	<u>69.08%</u>

## 3. CAPITAL ASSETS

The following presents the changes in capital assets for the year ended December 31, 2019:

	12/31/2019 Balance	Adjustments	Additions	Deletions	12/31/2020 Balance
Land	\$100,000				\$100,000
Construction in progress	21,000		\$294,762		315,762
Buildings	913,266				913,266
Vehicles	2,265,158			(150,000)	2,115,158
Equipment	446,773	(2,878)	39,320		483,215
Total	<u>3,746,197</u>	<u>(2,878)</u>	<u>334,082</u>	<u>(150,000)</u>	<u>3,927,401</u>
Depreciation on capital assets	<u>(2,659,918)</u>	<u>60,000</u>	<u>(189,842)</u>	<u>(150,000)</u>	<u>(2,939,760)</u>
Net capital assets	<u>\$1,086,279</u>	<u>\$57,122</u>	<u>\$144,240</u>	<u>\$0</u>	<u>\$1,287,641</u>

Fire Protection District No. 6 of Bienville Parish  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2020

4. PENSION PLANS

The district has one full-time employee and several part time employees who participate in the social security system. The employee contributes 7.65% fo their total salary to social security (FICA and Medicare) which is matched by employer contributions.

5. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2020, nor is it aware of any unasserted claims.

6. 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 attempts to minimize risk from significant losses through the purchase of insurance.

7. DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through April 30, 2021, the date which the financial statements were available to be issued.

The Covid-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the District and the duration cannot be estimated at this time.

## OTHER SUPPLEMENTAL SCHEDULES

Fire Protection District No. 6 of Bienville Parish  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head  
For the Year Ended December 31, 2020

Schedule 1

Agency Head Name: Thomas "Adrian" Batchelor, Fire Chief

Purpose	Amount
Salary	\$27,000
Benefits-social security & medicare	2,066

Fire Protection District No. 6 of Bienville Parish  
Schedule of Compensation Paid Commissioners  
For the Year Ended December 31, 2020

Schedule 2

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive \$30 compensation for each meeting.

Alvie Myers, Chairman	\$390
Lynn Bamburg	390
Kerry Girouard	240
Roy Page	390

## REQUIRED SUPPLEMENTAL INFORMATION

Fire Protection District No. 6 of Bienville Parish  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balances - Budget and Actual (Budgetary Basis)  
 For the Year Ended December 31, 2020

	Budgeted Amounts			Favorable (Unfavorable) Variance
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	\$455,564	\$455,564	\$481,339	\$25,775
Intergovernmental - fire insurance rebate	7,500	7,500	7,825	325
Use of money and property	1,000	1,000	1,426	426
State grants	234,250	234,250	203,637	(30,613)
Miscellaneous revenues	6,000	6,000	1,121	(4,879)
Total Revenues	704,314	704,314	695,348	(8,966)
EXPENDITURES				
Public safety:				
Personal services and related benefits	159,300	159,300	147,032	12,268
Operating services	145,700	145,700	154,523	(8,823)
Materials and supplies	23,000	23,000	14,064	8,936
Travel and other charges	16,000	16,000	2,100	13,900
Capital outlay	504,314	504,314	334,083	170,231
Intergovernmental	16,000	16,000	13,894	2,106
Total Expenditures	864,314	864,314	665,696	198,618
Excess (Deficiency) of Revenues over (under) Expenditures	(160,000)	(160,000)	29,652	189,652
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	0	0	11,895	11,895
Total Other Financing Sources (Uses)	0	0	11,895	11,895
Excess (Deficiency) of Revenues and other financing sources over (under) Expenditures and other financing uses	(160,000)	(160,000)	41,547	201,547
Fund Balance (Deficit) at Beginning of Year	160,000	160,000	571,188	411,188
Fund Balance (Deficit) at End of Year	\$0	\$0	\$612,735	\$612,735

See accompanying note to budgetary comparison schedule.

Fire Protection District No .6 of Bienville Parish  
Castor, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts for the year ended December 31, 2020. There were no budget amendments for the year ended December 31, 2020.



# WADE & PERRY

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

Report on Compliance and Other Matters and on Internal Control  
over Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

## Independent Auditor's Report

Board of Commissioners  
Fire Protection District No. 6 of Bienville Parish  
Castor, Louisiana

We have audited, 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, the financial statements of the governmental activities of Fire Protection District No. 6 of Bienville Parish ("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 April 30, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we

identified certain deficiencies in internal control that we consider to be significant deficiencies. 2020-001 and 2020-002.

### **Compliance and Other Matters**

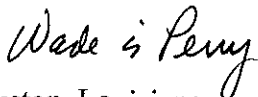
As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

District's response to the findings identified in our audit is described in the accompanying corrective action plan. 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 result 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.



Ruston, Louisiana

April 30, 2021

Fire Protection District No. 6 of Bienville Parish  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2020

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Fire Protection District No. 6 of Bienville Parish.
2. No instances of noncompliance material to the financial statements of the Fire Protection District No. 6 of Bienville Parish were disclosed during the audit.
3. Two significant deficiencies relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

**B. Financial Statements Findings**

2020-001. Lack of segregation of duties

Condition: The District does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.

Criteria: Considered good business practice to have segregation of duties wherever possible.

Cause: Small district with limited personnel available.

Effect: Potential misstatements in financial statements may not be detected and is at risk for fraud.

Recommendation: We recommend the District implement a system of checks and balances. Segregation of duties should include collection of monies, recording deposits in general ledger, taking deposits to the bank, preparing checks and disbursements, signing checks, mailing checks, and reconciling the bank account.

2020-002. Significant deficiency in internal control over financial reporting

Condition: Management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare their annual financial statements. This condition is intentional by management based upon the District's cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. In relation to this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established.

Criteria: Considered material weakness if entity cannot apply generally accepting accounting principles.

Cause: The District does not have staff capable of preparing report and notes and applying generally accepting accounting principles.

Effect: Potential misstatements in financial statements may not be detected

Recommendation: No recommendation is made for this deficiency. Management must determine whether the benefit from an internal control deficiency exceeds its cost, and therefore it may be impractical to correct all deficiencies.

Fire Protection District No .6 of Bienville Parish  
Summary of Prior Year Findings  
For the Year Ended December 31, 2020

There were no findings or exceptions for the year ended December 31, 2019.

Fire Protection District No. 6 of Bienville Parish  
Castor, Louisiana

CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 2020

The District hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 2020-001. Management is aware of the lack of segregation of duties and will continue to develop and implement internal control procedures to offset this inherit problem associated with being a small entity.
- 2020-002. Management concurs with the comment under recommendation and takes full responsibility for the financial statements, budget, adjustments, and notes to the financial statements.