

**PARISHWIDE FIRE PROTECTION DISTRICT
EAST FELICIANA PARISH
STATE OF LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

JUNE 30, 2020

Minda B. Raybourn
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Limited Liability Company

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Parishwide Fire Protection District of East Feliciana Parish
Annual Financial Statements
AS of and for the Year Ended June 30, 2020
With Supplemental Information Schedules
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners
Parish-Wide Fire Protection District of
East Feliciana Parish, Louisiana
P O Box 8826
Clinton, LA 70722

I have audited the accompanying financial statements of the governmental-type activities of the Parish-Wide Fire Protection District of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended June 30, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities of the Parish-Wide Fire Protection District of East Feliciana Parish, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish-Wide Fire Protection District of East Feliciana Parish's basic financial statements. The schedule of compensation paid to board members and 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 supplemental information 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 my opinion, the other information listed herein 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*, I have also issued my report dated March 12, 2021, on my consideration of the Parish-Wide Fire Protection District of East Feliciana Parish's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my 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 Parish-Wide Fire Protection District of East Feliciana Parish's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Minda Raybourn". The signature is written in black ink on a white background.

Minda Raybourn CPA

Franklinton, LA

March 12, 2021

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

This section presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2018. The Management's Discussion and Analysis (MD&A) describes the significant changes from the prior year that occurred in general operations and discusses activities during the year for capital assets and long term debt. The information presented here should be considered in conjunction with the financial statements taken as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year of June 30, 2020 by \$4,014,114 (net position). The District's unrestricted net position of \$1,876,243 may be used to meet the District's ongoing obligations for fire protection for its citizens.
- For the year ended June 30, 2020, the District's net position increased \$277,007 .
- At June 30, 2020 the District reported in its governmental fund balance \$1,876,243 which represents a \$252,747 increase for the year. Of this amount \$146,889 is unassigned and is available for use for fire protection.
- Property taxes and fire protection user fees decreased \$25,690 for the year. Total taxes and fees were \$1,520,925 for the current fiscal year compared to \$1,546,615 for the prior year.
- Expenditures for the current fiscal year were \$1,295,137 compared to the prior year of \$1,263,855.
- Total long-term liabilities decreased \$300,543 due primarily due to lease and debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government wide financial statements* are designed to provide readers with a broad overview of the District's finances taken as a whole, in a manner similar to a business.

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

The *statement of governmental activities* presents information showing how the District's net position changed during the year. The statement includes all of the District's revenues and expenses, regardless of when the cash is received or paid.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

All of the District's activities in the government-wide financial statements are principally supported by the general District revenues such as property taxes and structural fees. The governmental activities reported in government-wide financial statements include general government activity, the fire protection and interest on long-term debt.

The government-wide financial statements use the full accrual basis of accounting method which records revenues when earned and expenses at the time the liability is incurred, regardless of when the related cash flows take place.

The government-wide financial statements are located on pages 14-15 of this report.

FUND FINANCIAL STATEMENTS

The *fund financial statements* report the District's operations in more detail than the government-wide financial statements and focus primarily on short-term activities of the District. The fund financial statements measure only current revenues and expenditures and fund balances; excluding capital assets, long-term debt, and other long-term obligations.

The fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resource and uses. Capital assets and other long-lived assets, along with long term liabilities, are not presented in the fund financial statements. These financial statements help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. I describe the relationship or differences between the government-wide and fund financial statements in a reconciliation following the fund financial statements.

The fund financial statements provide detailed information about each of the District's most significant funds called Major Funds. The District's Major Fund is the General Funds. The District currently has no non-major funds.

Comparisons of Budget and Actual financial information are presented for the General Fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The *notes* provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 22 of this report.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presented required supplementary information concerning the budgetary comparison schedules presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

This analysis focuses on the net position and change in net position of the District's Governmental Activities. Over time, net position may serve as a useful indicator of a government's financial position. The District's net position is reported as follows:

**Summary of Net Position
Governmental Activities**

Assets	2020	2019	Difference	%
Current Assets	1,891,799	1,714,086	177,713	10%
Capital Assets, Net	2,911,693	3,187,977	(276,284)	-9%
Total Assets	4,803,492	4,902,063	(98,571)	-2%
Liabilities				
Current Liabilities	168,259	275,388	(107,129)	-39%
Noncurrent Liabilities	621,120	889,568	(268,448)	-30%
Total Liabilities	789,379	1,164,956	(375,577)	-32%
Net Position				
Net Investment in Capital Assets	2,137,871	2,113,505	24,366	1%
Unrestricted	1,876,243	1,623,602	252,641	16%
Net Position	4,014,114	3,737,107	277,007	7%

Current assets increased due to an increase in cash of \$177,713. Capital assets increased due to the purchase of various capital assets offset by depreciation. Noncurrent liabilities decreased due to principal payments of lease and debt agreements.

Approximately 53% of the District's net position reflects its investment in capital assets net of any outstanding related debts used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 47% of the District's net position is unrestricted and may be used to meet the District's ongoing obligations to its citizens. At the end of the fiscal year, the District was able to report positive balances in its sole category, governmental activities.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position. The narrative that follows describes the individual program expenses, program revenues, and general revenues in more detail.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

**Summary of Changes in Net Position
Governmental Activities**

	2020	2019	Difference	%
Revenues				
Program Revenues:				
Capital Grants/Contributions	\$ 71,734	\$ 135,112	\$ (63,378)	100%
Operating Grants/Contributions	-	-	-	0%
General Revenues:				
Property Taxes	1,157,549	1,173,369	(15,820)	-1%
Fire Protection Taxes	363,376	373,246	(9,870)	-3%
Gain on Disposal	-	65,000	(65,000)	100%
Interest Earned	8,185	18,130	(9,945)	-55%
Other	63,133	53,151	9,982	19%
Total Revenues	<u>1,663,978</u>	<u>1,818,008</u>	<u>(154,030)</u>	<u>-8%</u>
Expenditures				
General Government	<u>1,295,137</u>	<u>1,263,855</u>	<u>31,282</u>	<u>2%</u>
Change in Net Position Before Transfers	<u>368,841</u>	<u>554,153</u>	<u>(31,282)</u>	<u>6%</u>
Transfers	<u>(91,834)</u>	<u>(115,863)</u>	<u>24,029</u>	<u>-21%</u>
Change in Net Position	<u>277,007</u>	<u>438,290</u>	<u>(161,283)</u>	<u>-37%</u>
Net Position, Beginning Restated	<u>3,737,107</u>	<u>3,298,817</u>	<u>438,290</u>	<u>13%</u>
Net Position, Ending	<u><u>4,014,114</u></u>	<u><u>3,737,107</u></u>	<u><u>277,007</u></u>	<u><u>7%</u></u>

Government Activities-Governmental Funds

The District's governmental net position increased by \$277,007 compared to the prior year increase in net position of \$438,290.

Expenses

Expenditures increased \$31,282 or 2%. Total expenditures are \$1,295,137 for the current year compared to \$1,263,855 for the prior year. This was mostly due to an increase in insurance, firefighting gear and supplies, and depreciation expense.

Revenues

Total revenues consisting of property taxes, fire protection taxes, grants, interest earned, and other revenues decreased \$154,030 or 8%. Property taxes decreased \$15,820. Fire protection taxes decreased \$9,870. Grant revenue decreased \$63,378.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

The General Fund is used to account for all revenues and expenditures related to the general operations for the District which are not accounted for in another fund. Fund balance increased \$252,747 to \$1,876,242 from \$1,623,495.

At the end of the current fiscal year, non-spendable fund balance was \$119,093 or 6% of the total fund balance. Assigned fund balance was \$1,610,261 or 86% of the total fund balance. The assigned fund balance is for station operations. The unassigned fund balance was \$146,889 or 8%.

General Fund Budgetary Highlights

The District adopted the budget for the General Fund prior to the start of the fiscal year. It was amended before the fiscal year ended. As required by state law, actual revenues and other sources cannot be less than 5% of budgeted revenues and other sources. Actual expenditures and other uses cannot be more than 5% of budgeted expenditures and other uses. The District was within these legal requirements. Schedule I detailing budget compliance is included as Required Supplemental Information, following the notes to the financial statements.

Capital Assets

The District's capital assets, net of accumulated depreciation, consist of the following at June 30, 2020 and 2019:

	2020	2019	Change
Land	41,860	41,860	-
Buildings	1,455,862	1,455,863	-1
Vehicles	5,840,079	5,798,558	41,521
Equipment	2,174,430	2,126,119	48,311
Other	151,029	151,029	0
Accumulated Depreciation	(6,751,567)	(6,385,453)	(366,114)
Capital Assets, Net	<u>2,911,693</u>	<u>3,187,977</u>	<u>(276,284)</u>

The District purchased vehicles for \$41,520. Equipment was purchased for \$48,310. Depreciation expense was recorded for \$366,114.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Debt Administration

The District's long-term liabilities consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Capital Lease Payable	584,927	798,194	(213,267)
Notes Payable	188,895	276,171	(87,276)
Total	<u>773,822</u>	<u>1,074,365</u>	<u>(300,543)</u>

The District paid \$213,267, in principal towards its capital lease obligations. Interest expense on the leases was \$28,880. The District paid \$87,276 in principal on the note payable for the Bluff Creek station and McManus station. Interest on the note was \$10,823.

Financial Contact

The financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations, and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be addressed to Parish-Wide Fire Protection District of East Feliciana Parish, PO Box 8826, Clinton, Louisiana, 70722. The District's telephone number is (225) 302-0016.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement A

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2020**

ASSETS

Cash and Cash Equivalents	\$ 1,371,222
Investments	377,456
Receivables, Net	24,028
Prepaid Expenses	119,093
Capital Assets, net of Accumulated Depreciation	2,911,693

TOTAL ASSETS 4,803,492

LIABILITIES

Current Liabilities

Accounts Payable	15,557
Long Term Debt Due Within One Year	152,702

Noncurrent Liabilities

Long Term Debt Due In More Than One Year	621,120
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TOTAL LIABILITIES 789,379

NET POSITION

Net Investment in Capital Assets	2,137,871
Unrestricted	1,876,243

TOTAL NET POSITION \$ 4,014,114

The accompanying notes are an integral part of these financial statements.

PARISHWIDE FIRE PROTECTION DISTRICT
 OF EAST FELICIANA PARISH, LOUISIANA
 STATEMENT OF ACTIVITIES
 JUNE 30, 2020

Statement B

Functions/Programs	Program Revenues			Governmental Activities	Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities					
General Government	\$ 327,003	\$ -		\$ -	\$ (327,003)
Station Activity	968,134	-	-	71,734	(896,400)
Total Governmental Activities	<u>1,295,137</u>	<u>-</u>	<u>-</u>	<u>71,734</u>	<u>(1,223,403)</u>
General Revenues and Transfers					
Property Taxes					1,157,549
Fire Protection Taxes					363,376
Gain on Asset Disposition					-
Other Revenues					63,133
Interest Earned					8,185
Total General Revenues					<u>1,592,244</u>
Transfers					<u>(91,834)</u>
Total General Revenues and Transfers					<u>1,500,410</u>
Change in Net Position					<u>277,007</u>
Net Positon, Beginning, Restated					<u>3,737,107</u>
Net Positon, Ending					<u>\$ 4,014,114</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Statement C

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BALANCE SHEET
JUNE 30, 2020**

ASSETS

Cash and Cash Equivalents	S 1,371,222
Investments	377,456
Receivables, net	24,028
Prepaid Expenses	119,093
TOTAL ASSETS	<u>1,891,799</u>

LIABILITIES

Current Liabilities

Accounts Payable	15,557
TOTAL LIABILITIES	<u>15,557</u>

NET POSITION

Nonspendable	119,093
Assigned to Station Operations	1,610,261
Unassigned	146,889
TOTAL NET POSITION	<u>S 1,876,243</u>

The accompanying notes are an integral part of these financial statements.

Statement D

PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
JUNE 30, 2020

Total Fund Balances-Total Governmental Funds	S	1,876,243
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds		2,911,693
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds		(773,822)
	<u>S</u>	<u>4,014,114</u>

The accompanying notes are an integral part of these financial statements.

Statement E

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
JUNE 30, 2020**

REVENUES	
Property Taxes	\$ 1,157,549
Fire Protection Taxes	363,376
TOTAL REVENUES	<u><u>1,520,925</u></u>
 EXPENDITURES	
General Government	327,003
Station Activity:	
Operations	562,317
Debt Service	340,245
Capital Outlay	89,831
TOTAL EXPENDITURES	<u><u>1,319,396</u></u>
 INCOME BEFORE OTHER FINANCING SOURCES (USES)	 <u><u>201,529</u></u>
 OTHER FINANCING SOURCES (USES)	
Grants and other Contributions	71,734
Issuance of Debt	-
Proceeds from Disposal of Capital Asset	-
Rebates/other Revenues	63,133
Interest Earned	8,185
Capital Lease	-
Transfers to Local Governments	(91,834)
TOTAL OTHER FINANCING SOURCES (USES)	<u><u>51,218</u></u>
 CHANGE IN FUND BALANCE	 252,747
 FUND BALANCE BEGINNING OF YEAR (RESTATED)	 1,623,495
 FUND BALANCE, ENDING OF YEAR	 <u><u>\$ 1,876,242</u></u>

The accompanying notes are an integral part of these financial statements.

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2020**

Net Change in Fund Balances-Total Governmental Funds	\$	252,747
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period:

Capital outlays recorded as expenditures in the governmental funds		89,831
Depreciation not reported in governmental funds		(366,114)

Loan and lease proceeds provided current financial resources to Governmental funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of loan and capital lease principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide statements.

This amount represents loans and leases issued during the current period.		-
This amount represents loans and capital lease principal payments during the current period.		300,543

Change in net position of governmental activities	\$	<u>277,007</u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

INTRODUCTION

The Parish-wide Fire Protection District of East Feliciana Parish, Louisiana (hereinafter referred to as the District) was established on November 7, 1994, by the Parish Police Jury for the purpose of acquiring, constructing and improving buildings, machinery and equipment to be used in providing fire protection to the citizens of East Feliciana Parish, Louisiana. Its boundaries were extended throughout the parish by resolutions adopted by the governing authorities of the Town of Clinton, Jackson and Slaughter and the Villages of Norwood and Wilson. It is governed by a Board of Commissioners made up of seven individuals. The District covers an area of approximately 456 square miles and a population of approximately 19,135 people.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, established criteria for determining which organizations or component units should be included in the District for reporting purposes. These criteria focus on the concept of financial accountability and includes the following:

- a) Whether the potential component unit is legally separate organization with the capacity to have its own name, the right to sue and the be sued and the right to buy, sell, lease and mortgage property in its own name;
- b) Whether the District appoints a voting majority of the potential component unit's governing body;
- c) Whether the potential component unit is fiscally interdependent of the District;
- d) Whether the District possess the ability to significantly influence the programs, projects, activities or level of services performed or provided by the potential component unit;
- e) Whether the relationship between the District and the potential component unit creates the possibility of financial benefit/burden.

Based on the definition of a reporting entity and the criteria above, the accompanying financial statements include the volunteer fire departments of Bluff Creek, Clinton, Ethel, Jackson, Jackson Airport, Magnolia, McManus, Norwood, Olive Branch, Pecan Grove, Slaughter, Wilson and Woodland as blended component units. The activities, included in the financial reporting entity as part of the General Fund, of these departments are those related to the fire protection fees received by the District and disbursed to the departments. Each month, the individual departments attend the District's Board meetings to report on the status of these funds and gain approval for any expenditure of these funds. The books are maintained by each individual volunteer fire department.

Government-Wide Accounting: In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Position and Statement of Activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Policy has set the capitalization threshold for reporting at \$5,000. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Program Revenues

The Statement of Activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

Fund Accounting: The District uses funds to report on its financial position and the result of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified as governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund - the general operating fund of the District that accounts for all financial resources, except those required to be accounted for in other funds.

Basis of Accounting/Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses and such assets are not depreciated. The District does not have any business-type activities.

Budgets and Budgetary Accounting: The District adopts an annual budget for the General Fund. It is prepared in accordance with the basis of accounting utilized by that fund. The Board members must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed on an as-needed basis and a balanced budget is required.

If an appropriation ordinance is not passed consistent with the budget, 50% of the prior year appropriation is deemed re-appropriated. Appropriations lapse at year end.

Cash, Cash Equivalents, and Investments: Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the 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 their principal offices in Louisiana. All cash and cash equivalents of the District are held in demand or interest-bearing demand deposit accounts.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The District limits its investments to those allowed under Louisiana R.S. 33:2955. Investments are reported at fair market.

Capital Assets: The District's assets are recorded at historical cost. Donated assets are recorded at fair market value on the date of donation. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	40 years	Vehicles	7-10 years
Equipment	4-10 years	Infrastructure	40-50 years
Office furniture	5-7 years		

Compensated Absences: The District does not have compensated absences.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Net Position/Fund Balances: In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position

Net position that are reserved by external sources, such as banks or by law, are reported separately as restricted net position. When assets are required to be retained in perpetuity, these nonexpendable net position are recorded separately from expendable net position. These are components of restricted net position.

Unrestricted Net Position

This category represents net position not appropriate for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that is available for any purpose.

The Fire District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within the unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The Fire District does not have a formal minimum fund balance policy.

Extraordinary and Special Items: Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

Inter-fund Transactions: All inter-fund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

NOTE 2 – TAXES

A special ad valorem tax was levied, assessed and imposed on all taxable property within the Parish of East Feliciana. Approval was granted with a special election held initially on April 20, 1996 with a subsequent renewal in 2009. The tax ends in the year 2023. The authorized millage for the year was 6.25 for a total levy of \$1,143,000. The taxable property valuation totaled \$18,288,000.

In accordance with the provisions of La. Revised Statute 40:1502.13, as amended, the District levied a fire protection tax of \$48 on persons owning residential or commercial structures and \$38 on persons owning mobile homes, whether occupied or not, located wholly or partly within the boundaries of the

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

District. This tax is levied on each structure for the purpose of providing fire protection and emergency services. A special election was held on November 4, 2014. The tax began in the year 2015 and ends in the year 2024. The total amount of the fire protection tax was \$344,616. A total of 9,393 residences and commercial properties were assessed.

The taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from the taxes are budgeted in the year billed and recognized as revenue when billed. The East Feliciana Sheriff's Office bills and collects the property taxes based on the assessed value determined by the East Feliciana Parish Tax Assessor. The taxes are generally collected in December of the current year and January and February of the next year. The taxes attach as a lien on the property on January 1 each year.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2020, the District has deposits (book balances) as follows:

Interest Bearing Demand Deposits	\$ 787,099
Demand Deposits	<u>584,123</u>
Total Cash and Cash Equivalents	<u>1,371,222</u>
Investment at LAMP, Inc.	377,456
Total Cash and Investments	<u>\$ 1,748,678</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2020, the District had \$1,177,458 in deposits (collected bank balances) consisting of demand deposits. The demand deposits are secured from risk by \$250,000 in federal deposit insurance and pledged securities. The demand deposits are exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even through the pledged securities are considered uncollateralized (Category 3), under the provision of GASB Category 3, Louisiana R.S. 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 government that the fiscal agent has failed to pay deposited funds upon demand.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

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

The only investments held by the District at June 30, 2020 are Louisiana Asset Management Pool (LAMP) as described in Note 2.

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

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

In accordance with GASB Codification Section 150.165, the investment in the Louisiana Asset Management Pool (LAMP) at June 30, 2018, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

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

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

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

GASB 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

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

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP'S total investments, as provided by LAMP, is 47 days as of June 30, 2020.
5. Foreign currency risk: Not applicable to 2a7-like pools.

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

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

NOTE 5-ACCOUNTS RECEIVABLE

The governmental funds receivables are all current at June 30, 2020 and consist of the following:

Property Taxes	\$	7,270
Fire Protection Fees		16,759
Net	\$	24,028

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6- CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2020 for governmental activities is as follows:

	2019	Increases	Decreases	2020
Capital assets, not being depreciated				
Land	\$ 41,860	-	-	\$ 41,860
Total capital assets, not being depreciated	41,860	-	-	41,860
Capital assets being depreciated				
Buildings	1,455,864	-	-	1,455,864
Vehicles	5,798,558	41,520	-	5,840,078
Equipment	2,126,119	48,310	-	2,174,429
Other	151,029	-	-	151,029
Total capital assets, being depreciated	9,531,570	89,830	-	9,621,400
Less accumulated depreciation for:				
Buildings	973,507	22,167	-	995,674
Vehicles	3,726,183	238,934	-	3,965,117
Equipment	1,534,735	105,012	-	1,639,747
Other	151,029	-	-	151,029
Total accumulated depreciation	6,385,453	366,113	-	6,751,566
Total capital assets being depreciated, net	3,146,118	(276,283)	-	2,869,835
Governmental activities, capital assets, net	\$ 3,187,978	(276,283)	-	\$ 2,911,695

Depreciation expense for capital assets was charged to function as follows:

Fire Protection \$366,113

The District purchased vehicles for \$41,520. Equipment was purchased for \$48,310. Depreciation expense was recorded for \$366,113.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 – ACCOUNTS PAYABLE AND OTHER

The payables at June 30, 2020 consisted the amount listed below:

Accounts Payable	\$ 13,594
Credit Cards Payable	1,963
Capital Expenditures	-
Total Payables	<u>\$ 15,557</u>

NOTE 8 – LONG-TERM LIABILITIES

The District’s long-term liabilities consist of capital lease obligations and a note payable. The following is a summary of changes in long term liabilities for governmental activities for the year ended June 30, 2020:

	Balance <u>7/1/2019</u>	Additions	Retirements	Balance <u>6/29/2020</u>	Due Within <u>One Year</u>
Lease Obligations	798,195	-	(213,267)	584,928	134,827
Note Payable	276,170	-	(87,276)	188,894	17,675
Total	<u>1,074,365</u>	-	<u>(300,543)</u>	<u>773,822</u>	<u>152,502</u>

CAPITAL LEASES OBLIGATIONS:

The District has various capital leases for trucks and equipment. The following table summarizes by station each lease’s terms and yearly obligation:

<u>Station</u>	<u>Orgination Date</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Installment</u>
Woodland	7/27/2009	6/1/2024	5.66%	26,253
Norwood	6/15/2011	6/1/2024	3.96%	26,978
Wilson	2/1/2010	3/1/2025	4.96%	22,430
Jackson	7/28/2017	7/28/2022	3.34%	43,526
Slaughter	6/15/2011	6/15/2026	3.82%	35,037

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The following is the debt service obligations on the capital leases of the District:

	Principal	Interest	Total
2021	134,827	24,594	159,421
2022	140,170	19,250	159,420
2023	136,929	13,693	150,622
2024	77,758	6,932	84,690
2025	60,525	3,655	64,180
2026-2030	34,719	1,288	36,007
Total	584,928	69,412	654,340

NOTE PAYABLE:

The District has two note payables:

- 1) One is for the Bluff Creek station. The district borrowed \$302,540 on April 3, 2014 at 4.25%. The monthly obligation is \$2,257. It matures February 12, 2021.
- 2) On August 12, 2020, the District borrowed \$60,000 at 5.50% that matures February 12, 2021. The funds were used to construct a building for the McManus Volunteer Fire Department. The yearly payment is \$16,119.90. This debt was paid off during the year ended June 30, 2020.

The following table summarizes this year's activity on the loan:

	Balance 7/1/2019	Additions	Retirements	Balance 6/30/2020	Due Within One Year
Note Payable	276,170	-	(87,276)	188,894	17,675

The following table summarizes future obligations on the note:

	Principal	Interest	Total
2021	17,675	7,835	25,510
2022	20,083	7,001	27,084
2023	20,952	6,131	27,083
2024	21,861	5,223	27,084
2025	22,808	4,276	27,084
2026-2030	85,515	6,896	92,411
Total	188,894	37,362	226,256

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – RESTATEMENT OF NET POSITION/FUND BALANCE

During fiscal year 2020, the District paid two lease obligation for the Pecan Grove and Wilson stations. The leases had a remaining balance left on the books and a prior period entry had to be recorded to correct the balances. Governmental/activities net position as of July 1, 2019 have been restated as follows:

	Governmental Activities
Net position previously reported	3,727,988
Long-term debt	9,119
Total beginning net position restated	3,737,107

NOTE 10 - RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure in the accompanying financial statements.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The District maintains commercial insurance policies for the claims related to the aforementioned risks. The District’s payment of the insurance policy deductible is the only liability associated with these policies.

NOTE 12 – CONTINGENT LIABILITIES

The District was not involved in any outstanding litigation or claims as of June 30, 2020.

NOTE 13 – COMMITMENTS

Clinton

On November 19, 2012, the Town of Clinton issued Limited Tax Bonds, Series 2012 for the purchase of a fire station in the amount of \$760,000 at an interest rate of 2.49% maturing in March 2022. The District reimburses the town for the payment each year using the Clinton station funds. The amount of the payment for the fiscal year ending in June 30, 2020 was \$96,972.

**PARISH-WIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Slaughter

On August 18, 2017, the Town of Slaughter entered into a lease purchase agreement for the acquisition of a 2017 custom pumper truck. The total purchase price was \$481,984. The acquisition was handled in three transactions:

- The Slaughter Volunteer Fire Department, Inc., a 501(c)4 organization, received a Pennington Foundation grant for \$350,000. These funds were used to acquire the truck.
- The Slaughter station under the District umbrella paid \$52,923 towards the truck.
- The remainder of \$80,000 owed was financed through a lease purchase agreement with the Town of Slaughter named as the lessee. The lease terms are yearly payments of \$9,862 commencing on August 18, 2018 and ending on August 18, 2027.

The District will pay the lease balance using Slaughter station funds. The amount of the payment for the fiscal year ending in June 30, 2020 was \$9,862.

NOTE 14 – COVID 19 PANDEMIC

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which has spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and market conditions. There continues to be no prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the District and its financial results

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through March 12, 2021, the date the financial statements were available for issuance. No other events were noted that require recording or disclosure in the financial statements for the year ending June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2020**

Schedule 1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property Taxes	1,000,000	1,100,000	1,157,549	57,549
Fire Protection Taxes	360,000	356,000	363,376	7,376
TOTAL REVENUES	1,360,000	1,456,000	1,520,925	64,925
EXPENDITURES				
General Government	302,000	305,000	327,003	(22,003)
Station Activity:				
Operations	661,500	682,500	562,317	120,183
Debt Service	400,000	475,000	340,245	134,755
Capital Outlay	336,500	356,500	89,831	266,669
TOTAL EXPENDITURES	1,700,000	1,819,000	1,319,396	499,604
INCOME BEFORE OTHER FINANCING SOURCES (USES)	(340,000)	(363,000)	201,529	(434,679)
OTHER FINANCING SOURCES (USES)				
Grants and other Contributions	-	42,000	71,734	29,734
Issuance of Debt	-	-	-	-
Proceeds from Disposal of Capital Asset	-	-	-	-
Rebates/other Revenues	50,000	44,300	63,133	18,833
Interest Earned	15,000	7,000	8,185	1,185
Capital Lease	-	-	-	-
Transfers to Local Governments	-	-	(91,834)	(91,834)
TOTAL OTHER FINANCING SOURCES (USES)	65,000	93,300	51,218	(42,082)
CHANGE IN FUND BALANCE	(275,000)	(269,700)	252,747	(476,760)
FUND BALANCE BEGINNING OF YEAR (RESTATE)	1,623,495	1,623,495	1,623,495	-
FUND BALANCE, ENDING OF YEAR	1,348,495	1,353,795	1,876,242	(476,760)

See independent auditor's report

OTHER SUPPLEMENTARY INFORMATION

Schedule 2

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SCHEDULE OF COMPENSATION PAID
TO BOARD MEMBERS
June 30, 2020**

The following serve on the Board of Parishwide Fire Protection District of East Feliciiana Parish.
No payment was rendered for their services as of June 30, 20120.

Alan Passman
Allen Mcnabb
Doug Beachamp
Earl Ravencraft
Jimmy Garig
Kelly Davis
Shedricka Armstead

See independent auditor's report

Schedule 3

**PARISHWIDE FIRE PROTECTION DISTRICT
OF EAST FELICIANA PARISH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
June 30, 2020**

Agency Head
Allen McNabb, Chairman

Purpose	
Compensation	-
Benefits	-
Other Payments	-
Total Compensation, Benefits, and Other Payments	<u>-</u>

See independent auditor's report

Minda B. Raybourn
Certified Public Accountant
Limited Liability Company
820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

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

To the Members of the Board of Commissioners
Parish-Wide Fire Protection District of
East Feliciana Parish, Louisiana
P O Box 8826
Clinton, LA 70722

I 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 business-type activities of the Parish-Wide Fire Protection District of East Feliciana Parish, a component unit of the East Feliciana Parish Policy Jury, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Parish-Wide Fire Protection District of East Feliciana Parish's basic financial statements and have issued our report thereon dated March 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, I considered the Parish-Wide Fire Protection District of East Feliciana Parish'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 Parish-Wide Fire Protection District of East Feliciana Parish's internal control. Accordingly, I do not express an opinion on the effectiveness of the Parish-Wide Fire Protection District of East Feliciana Parish'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.

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

accompanying schedule of findings and responses as item 2020-001 that I consider to be a material weakness.

Compliance and Other Matters

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

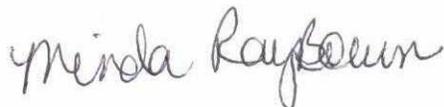
Parish-Wide Fire Protection District of East Feliciana Parish's Response to Findings

Parish-Wide Fire Protection District of East Feliciana Parish's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. Parish-Wide Fire Protection District of East Feliciana Parish's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I 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.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, and federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minda Raybourn CPA

Franklinton, LA

March 12, 2021

**PARISH-WIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH
SCHEDULE OF YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

Finding 2020-001 Expenditure Documentation

CRITERIA: Internal control systems require that expenditures be supported by adequate documentation such as invoice, receipt, or other documents. Management should approve all expenditures for payment before disbursement is processed.

CONDITION: Documentation supporting two disbursements totaling \$8,777 could not be located.

CAUSE OF CONDITION: I could not locate documentation for these two expenditures in the disbursement files.

EFFECT OF CONDITION: Without adequate documentation to support disbursements, there is no proof that the expenditure was properly initiated, approved for payment, and reviewed for adequacy. Without adequate documentation to support disbursements, there is no proof that the disbursements were distributed to the appropriate vendors. Lack of adequate documentation demonstrates the inadequacy of the District's internal control over disbursements. Lack of proper documentation over disbursement exposes the District to possible fraud and misappropriation of assets.

RECOMMENDATION: The District should put internal controls in place to ensure that each individual station maintains proper documentation to support all disbursements. A periodic review of bank statements, check stubs, and disbursement files needs to occur to ensure the adequacy and proper review and approval of the disbursements.

MANAGEMENT'S RESPONSE: The District will follow the auditor's recommendation to strengthen the internal controls over disbursements.

**PARISH-WIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH
CLINTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

I have audited the basic financial statements of the Parish-Wide Fire Protection District of East Feliciana Parish as of and for the year ended June 30, 2019, and have issued my report thereon dated August 1, 2020. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2019, resulted in an unmodified opinion.

Section I Summary of Auditor’s Reports

Report on Compliance and Internal Control Material to the Financial Statements

C. Internal Control

- | | | | | |
|-------------------------------------|----------|-----|----------|----|
| • Material Weaknesses | — | Yes | <u>X</u> | No |
| • Significant Deficiencies | <u>X</u> | Yes | — | No |
| • Compliance Material to Statements | <u>X</u> | Yes | — | No |

D. Federal Awards

N/A

Section II Federal Award Findings and Questioned Costs

N/A

Section III Management Letter

N/A

**PARISH-WIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

Finding 2019-001 Late Submittal of Audit Report (Compliance Finding)

CRITERIA: Louisiana audit requirements stipulate that the audited financial statements be submitted within six months of the entity's fiscal year. The District's due date was December 31, 2020.

CONDITION: The audit report was submitted seven months past the statutory due date.

CAUSE OF CONDITION: The District's individual stations are required by the District's policies and procedures to submit all accounting records by August 30th following the close of the fiscal year. Some of the records were not submitted until December 31, 2020. This is a repeat finding.

EFFECT OF CONDITION: The District was not in compliance with the state audit requirements.

RECOMMENDATION: The District needs to ensure that the stations timely submit the accounting records so that data can be entered into the District's parish-wide accounting system and to ensure sufficient time is provided for audit procedures.

MANAGEMENT'S RESPONSE: The District will take steps to comply with the recommendation.

STATUS: Resolved.

Finding 2019-002 Noncompliance with Local Government Budget Act (Compliance Finding)

CRITERIA: The District must comply with certain provisions of the Local Government Budget Act set forth in state law, LSA R.S. 39:1301-1314. The Act contains various budget requirements for the General Fund and special revenue funds regarding public notification and disclosure, and requires budget to be amended when:

- 1) Total revenues, or other sources plus projected revenue and other sources for the remainder of the year are failing to meet total budgeted revenues and other sources by five percent or more.
- 2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are failing to meet total budgeted expenditures and other uses by five percent or more.
- 3) Actual beginning fund balance within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

CONDITION: Actual expenditures exceeded budgeted expenditures by 32.64%.

CAUSE OF CONDITION: The District did not increase the expenditures enough on the amended budget.

EFFECT OF CONDITION: Noncompliance with the Louisiana Local Government Budget Act.

RECOMMENDATION: The District must ensure its actual expenditures are within 5% of budgeted expenditures.

MANAGEMENT'S RESPONSE: We will implement the auditor's recommendation.

STATUS: Resolved.

**PARISH-WIDE FIRE PROTECTION DISTRICT OF EAST FELICIANA PARISH
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

Finding 2019-003 Public Bid Law (Significant Deficiency)

CRITERIA: Contracts for building projects valued under the public bid threshold should be administered through Request for Proposal (RFP) process and/or solicitation of at least three bids. While not a state law requirement, it is usually considered a best practice.

CONDITION: The Pecan Grove Volunteer Fire Station construction a building at \$117,541.15. There was no evidence of any solicitation for bids or documentation of RFP.

CAUSE OF CONDITIOIN: Unknown.

EFFECT OF CONDITON: Without soliciting bids or proposals for building projects, it is possible the entity will not get the best price.

RECOMMENDATION: The District needs to put in place policies and procedures for contracting services.

MANAGEMENT'S RESPONSE: We will implement the auditor's recommendation.

STATUS: Resolved.

Finding 2019-004 Borrowing of Debt (Compliance Finding)

CRITERIA: Per R:S: 1410.60, Approval of application; incurring indebtedness

A. No parish, municipality, public board, political or public corporation, subdivision, or taxing district, and no road or sub-road district, school district, sewerage district, drainage or subdrainage district, levee district, waterworks or sub-waterworks district, irrigation district, road lighting district, harbor and terminal district, or any other political subdivision, taxing district, political or public corporation, created under or by the constitution and laws of the state shall have authority to borrow money, incur debt, or to issue bonds, or other evidences of debt, or to levy taxes, or to pledge uncollected taxes or revenues for the payment thereof, where they are authorized by the constitution or laws of the state so to do, without the consent and approval of the State Bond Commission.

B. (1) The provisions of this Section shall not apply to purchases made in the ordinary course of administration on terms of credit not to exceed ninety days.

CONDITION: On August 12, 2020, the District borrowed \$60,000 at 5.50% that matures February 12, 2021. The funds were used to construct a building for the McManus Volunteer Fire Department. The yearly payment is \$16,119.90. The District's minutes for the December 21, 2018 meeting reflect the board's approval to obtain the loan.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITON: Possible violation of state law.

RECOMMENDATION: The District needs to put in place policies and procedures for debt services.

MANAGEMENT'S RESPONSE: We will implement the auditor's recommendation.

STATUS: The District incurred no new debt for the year ended June 30, 2020.