

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH

Component Unit Financial Statements
For the Year Ended December 31, 2020

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
JONESBORO, LOUISIANA

FOR THE YEAR ENDED DECEMBER 31, 2020

INDEX

| | |
|--|-----|
| Independent Accountant’s Review Report ----- | 1-2 |
| Required Supplemental Information (Part A) | |
| Management’s Discussion and Analysis ----- | 3-6 |

Component Unit Financial Statements

| | |
|---|-------|
| Government-Wide Financial Statements: | |
| Statement of Net Position ----- | 7 |
| Statement of Activities ----- | 8 |
| Fund Financial Statements: | |
| Governmental Funds: | |
| Balance Sheet ----- | 9 |
| Reconciliation of the Governmental Funds Balance Sheet to the Government –Wide Financial Statement of Net Position ----- | 9 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance ----- | 10 |
| Reconciliation of the Statement of Revenues, Expenditures Changes in Fund Balances of Governmental Funds to the Statement of Activities ----- | 10 |
| Notes to Financial Statements----- | 11-22 |
| Required Supplemental Information (Part B) | |
| Schedule I – Budget Comparison Schedule and Notes ----- | 23-24 |

Other Supplemental Schedules

| | |
|--|----|
| Schedule II - Schedule of Compensation, Reimbursements, Benefits and Other Payments To Agency Head, Political Subdivision Head or Chief Executive Officer ----- | 25 |
| Schedule III – Schedule of Employer’s Share of Net Pension Liability ----- | 26 |
| Schedule IV – Schedule of Employer Contributions ----- | 26 |

Compliance Reporting

| | |
|---|-------|
| Independent Auditor’s Report on Applying Agreed Upon Procedures ----- | 27-29 |
| Schedule of Findings and Questioned Costs ----- | 30 |
| Schedule of Prior Year Findings ----- | 31 |
| Louisiana Attestation Questionnaire ----- | 32-33 |

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners
Ward Two Fire Protection District of Jackson Parish
Jonesboro, Louisiana

I have reviewed the accompanying financial statements of the governmental activities of the Ward Two Fire Protection District of Jackson Parish, a component unit of the Jackson Parish Police Jury, as of December 31, 2020 which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountant's Responsibility

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be 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 required 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. The information is the representation of management. I have not audited or reviewed such required supplementary information and, accordingly, I do not express an opinion, conclusion, nor provide any assurance on it.

To the Board of Commissioners
Ward Two Fire Protection District of Jackson Parish.
Jonesboro, Louisiana

Other Supplementary Information

The other supplementary information is presented for purposes of additional analysis and also is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the other supplementary information and, accordingly, I do not express an opinion on such information.

Report on Agreed-Upon Procedures

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated May 26, 2021, on the results of the agreed-upon procedures.

David M. Hart, CPA (APAC)

West Monroe, Louisiana
May 26, 2021

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Ruston, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

Our discussion and analysis of Ward Two Fire Protection District of Jackson Parish's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the District's financial statements that begin on page 7.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 7 and 8 provide information about the activities of the District and present a long-term view of the District's financial position. The fund financial statements presented on pages 9 and 10 provide information on how the operations of the District are financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements.

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and the changes in net position. Net position is the difference between assets (what the District owns), plus deferred outflow of resources (consumption of assets that apply to a future period) and liabilities (what the District owes), and deferred inflow of resources (resources that apply to a future period) and is a way to measure the financial position of the District. Over time, increases or decreases in the District's net position are an indicator of whether the District's financial position is improving or deteriorating. In the Statement of Net Position and the Statement of Activities, the District reports only governmental activities due to the fact that the District is engaged in one governmental program - fire protection. Property taxes and intergovernmental revenues finance most of this activity.

Fund Financial Statements

The fund financial statements begin on page 9 and provide more detailed information about the District's funds. The District has only one fund, the General Fund, which is reported as a governmental fund.

WARD TWO FIRE PROTECTION DISTRICT
 OF JACKSON PARISH
 Ruston, Louisiana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended December 31, 2020

All of the services provided by the District are accounted for in the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future.

The differences between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds reported in the fund financial statements are reported in a reconciliation at the bottom of the fund financial statements.

**COMPARATIVE ANALYSIS OF
 FINANCIAL DATA**

Government-Wide

The District's net position decreased by \$83,490 during 2020. The decrease in net position is due primarily to the \$373,732 the District received in property tax revenue that was less than received in prior year. The following presents an analysis of net position and the changes in net position of the District's governmental activities:

| | GOVERNMENTAL ACTIVITIES | |
|--------------------------------------|----------------------------|--------------------|
| | 2020 | 2019 |
| Assets | | |
| Current assets | \$2,866,161 | \$2,869,511 |
| Capital assets | 1,949,999 | 2,002,154 |
| Total assets | <u>4,816,160</u> | <u>4,871,665</u> |
| Deferred outflow of resources | <u>146,988</u> | <u>183,716</u> |
| Liabilities | | |
| Current liabilities | 12,994 | 2,973 |
| Long-term liabilities | 146,547 | 247,740 |
| Total liabilities | <u>159,541</u> | <u>250,713</u> |
| Deferred inflow of resources | <u>491,572</u> | <u>409,123</u> |
| Net Position | | |
| Net investment in capital assets | 1,949,999 | 2,002,154 |
| Unrestricted | 2,362,036 | 2,393,391 |
| Total net position | <u>\$4,312,035</u> | <u>\$4,395,545</u> |

WARD TWO FIRE PROTECTION DISTRICT
 OF JACKSON PARISH
 Ruston, Louisiana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended December 31, 2020

| | <u>2020</u> | <u>2019</u> |
|----------------------------------|--------------------|--------------------|
| Expenses - public safety | \$520,041 | \$593,299 |
| Program revenues | 5,925 | 10,606 |
| General revenues: | | |
| Property taxes | 373,732 | 412,723 |
| State fire insurance rebate | 7,567 | 7,615 |
| Interest earnings | 48,075 | 23,213 |
| Miscellaneous | 1,252 | 3,730 |
| Special item: | | |
| Loss on disposal of equipment | - | - |
| Total revenues and special items | 430,626 | 446,921 |
| Change in net position | (83,490) | (135,772) |
| Net position - beginning | <u>4,395,525</u> | <u>4,531,317</u> |
| Net position - ending | <u>\$4,312,035</u> | <u>\$4,395,525</u> |

Governmental Fund - General Fund

Total revenues and other financing sources decreased from \$457,527 in 2019 to \$436,551 in 2020 due from a \$38,991 decrease in property taxes. Total expenditures in 2020 decreased \$73,258 from 2019 total expenditures due to decrease in salaries.

OVERALL FINANCIAL POSITION

The District's net position decreased \$83,490 as a result of this year's operations. Unrestricted net position (those assets available to finance the daily operations of the district) were \$2,362,036 at year end. The net investment in capital assets was \$1,949,999 at year end.

DISTRICT'S FUNDS

At the end of the year, the District's General Fund reported an unassigned fund balance of \$2,475,654. The decrease in unassigned fund balance for 2020 was \$16,826.

GENERAL FUND BUDGETARY HIGHLIGHTS

At year end, actual revenues and other financing source exceeded budgeted revenues by \$50,188, and actual expenditures were \$61,048 less than budgeted expenditures due to a decrease in salaries and related benefits. The District did not amend its budget during the year.

WARD TWO FIRE PROTECTION DISTRICT
OF JACKSON PARISH
Ruston, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$1,949,999. Capital assets include land, buildings, vehicles, and equipment costing \$250 or more. Total fixed asset additions were \$148,880 during the year. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

Long-Term Obligations

During the year ended December 31, 2015, the District adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, which revises and establishes new financial reporting requirements for governments that provide their employees with pension benefits. In accordance with GASB Statement No. 68, the District is reporting a net pension liability of \$146,547 on the statement of net position for governmental activities at December 31, 2020. Additional information about the District's net pension liability is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's revenues are derived mainly from property taxes and a variety of grants and state fire insurance rebates. The District is not aware of any significant increases or decreases in those revenue sources or associated expenditures but in light of the current economic volatility, the District must continue to monitor its limited resources to fit the needs of the citizens of Richland Parish and be aware of other funding opportunities that may present themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | Governmental Activities |
|--|----------------------------|
| <i><u>Assets</u></i> | |
| Cash and Cash Equivalents | \$ 293,952 |
| Investments | 2,196,112 |
| Accounts Receivable | 376,097 |
| Capital Assets: | |
| Non-Depreciable | 43,949 |
| Depreciable | 1,906,050 |
| Total Assets | 4,816,160 |
| <i><u>Deferred Outflows of Resources</u></i> | |
| Resources Related to Pensions | 146,988 |
| <i><u>Liabilities</u></i> | |
| Accounts Payable | \$ 12,994 |
| Net Pension Liability | 146,547 |
| Total Liabilities | 159,541 |
| <i><u>Deferred Inflows of Resources</u></i> | |
| Property Taxes | 377,513 |
| Resources Related to Pensions | 114,059 |
| Total Deferred Inflows of Resources | 491,572 |
| <i><u>Net Position</u></i> | |
| Net Investment in Capital Assets | 1,949,999 |
| Net Position - Unrestricted | 2,362,036 |
| Total Net Position | \$ 4,312,035 |

See accompanying notes and Independent Accountant's Review Report.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|--|------------|-------------------------|--|--|--|
| Governmental Activities Public Safety | \$ 520,041 | \$ 5,925 | \$ - | \$ - | \$ (514,116) |

| | |
|--------------------------|--------------|
| General Revenues: | |
| Property Taxes | 373,732 |
| Insurance Rebate | 7,567 |
| Interest | 48,075 |
| Miscellaneous | 1,252 |
| Total General Revenues | 430,626 |
| Changes in Net Position | (83,490) |
| Net Position - Beginning | 4,395,525 |
| NET POSITION - ENDING | \$ 4,312,035 |

See accompanying notes and Independent Accountant's Review Report.

COMPONENT UNIT FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

WARD TWO FIRE PROTECTION DISTRICT
JACKSON PARISH
BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2020

ASSETS

Current Assets

| | |
|---------------------------|------------|
| Cash and Cash Equivalents | \$ 293,952 |
| Investments | 2,196,112 |
| Accounts Receivable | 376,097 |

TOTAL ASSETS

\$ 2,866,161

LIABILITIES AND FUND BALANCE

Liabilities

| | |
|------------------|-----------|
| Accounts Payable | \$ 12,994 |
|------------------|-----------|

Deferred Inflow of Resources

| | |
|----------------|---------|
| Property Taxes | 377,513 |
|----------------|---------|

Fund Balance

| | |
|------------|-----------|
| Unassigned | 2,475,654 |
|------------|-----------|

TOTAL LIABILITIES AND FUND BALANCE

\$ 2,866,161

See accompanying notes and Independent Accountant's Review Report.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
BALANCE SHEET, GOVERNMENTAL FUNDS
DECEMBER 31, 2020

**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position**

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

| | |
|---|----------------------------|
| Fund Balance, Governmental Funds: | \$ 2,475,654 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 1,949,999 |
| Net pension liability does not require the use of current financial resources and therefore is not reported in the funds. | (146,547) |
| The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds. | <u>32,929</u> |
| Net Position of Governmental Activities | <u><u>\$ 4,312,035</u></u> |

See accompanying notes and Independent Accountant's Review Report.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

| | |
|---|--------------------------------|
| <u>Operating Revenue</u> | |
| Property Taxes | \$ 373,732 |
| Intergovernmental Revenues: | |
| Fire Insurance Rebate | 7,567 |
| Interest Earnings | 48,075 |
| Miscellaneous Revenue | 1,252 |
| Total Operating Revenue | <u>430,626</u> |
| <u>Operating Expenses</u> | |
| Public Safety - Fire Protection: | |
| Current: | |
| Salaries and Related Benefits | 121,022 |
| Administrative | 21,876 |
| Fuel Allowance | 6,766 |
| Insurance | 40,327 |
| Building & Property Maintenance | 3,207 |
| Equipment Maintenance | 8,249 |
| Vehicle Maintenance | 13,322 |
| Utilities | 16,218 |
| EMS/Fire Training | - |
| Miscellaneous | 13,213 |
| Capital Outlay | 189,341 |
| Intergovernmental | 13,911 |
| Total Operating Expenses | <u>447,452</u> |
| <u>Change in Fund Balance</u> | (16,826) |
| <u>Other Financing Sources (Uses)</u> | |
| Sales of Equipment | <u>-</u> |
| <u>Net Change in Fund Balance</u> | (16,826) |
| <u>Fund Balance - Beginning of the Year</u> | <u>2,492,480</u> |
| <u>FUND BALANCE - END OF THE YEAR</u> | <u><u>\$ 2,475,654</u></u> |

See accompanying notes and Independent Accountant's Review Report.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

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

Net change in fund balances - total governmental funds \$ (16,826)

Governmental funds report capital outlays as expenditures,
however, in the statement of activities, the cost of those
assets is depreciated over their estimated useful lives.

| | | |
|---------------------------------|------------------|----------|
| Expenditures for capital assets | 148,880 | |
| Less current year depreciation | <u>(201,015)</u> | (52,135) |

Governmental funds report current year pension contributions as
expenditures. However, in the statement of activities, these
contributions are reported as deferred inflows of resources and the
District's proportionate share of the plans pension expense is
reported as pension expense. 5,925

The District's proportionate share of non-employer contributions
to the pension plans do not provide current financial resources
and are not reported in the governmental funds. (20,454)

Changes in net position of governmental activities \$ (83,490)

See accompanying notes and Independent Accountant's Review Report.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INTRODUCTION

Ward Two Fire Protection District of Jackson Parish (the District) was created by resolution of the Jackson Parish Police Jury in August 1987, for the purpose of purchasing and maintaining fire equipment and providing fire protection for the people included in the district according to the boundaries set by Richland Parish Police Jury. The District is governed by a board of commissioners consisting of five members who serve without compensation. Two members are appointed by the Jackson Parish Police Jury, one member is appointed by each municipality in the District, and the fifth member, who is Chairman, is selected by the other four members. The District has one full-time and nineteen part-time employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the Jackson Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

Note 1 - Summary of Significant Accounting Policies

A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or 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.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies - Continued

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund. The District has no proprietary fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies - Continued

C. CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

The District's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The District's interest rate risk is limited by the investments of funds for no longer than 12 months.

D. RECEIVABLES AND PAYABLES

Property taxes are levied on a calendar year basis and become delinquent on January 1 of each year. The following is a summary of authorized and levied Parcel Fees:

| | <u>Authorized</u> | <u>Levied</u> | <u>Expiration Date</u> |
|----------------|-------------------|---------------|----------------------------|
| Property Taxes | 11.23 Mills | 11.23 Mills | 2027 |

Delinquent property taxes are considered fully collectible and therefore no allowance for uncollectible fees is provided.

E. CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$250 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No construction occurred during the current fiscal year.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies - Continued

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Useful Lives</u> |
|--------------------|-----------------------------------|
| Buildings | 40 Years |
| Vehicles | 7-15 Years |
| Equipment | 5-10 Years |

F. COMPENSATED ABSENCES

The District is operated by volunteers and therefore has no policy for compensated absences.

G. LONG-TERM OBLIGATIONS

In the government-wide financial statements, capital leases and other long-term obligations are reported as liabilities in the statement of net position.

H. FUND EQUITY

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Commissioners – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies - Continued

H. FUND EQUITY (Continued)

Assigned Fund Balance – This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

I. 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.

Note 2 - Stewardship, Compliance, and Accountability

Budget Information: Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted budget and no amendments for the year ended December 31, 2020

Note 3 - Cash and Cash Equivalents

Custodial Credit Risk – deposits. The custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2020.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 3 - Cash and Cash Equivalents (continued)

The District has cash and investments – certificates of deposit (book balances) totaling \$2,490,064 at December 31, 2020 as follows:

| | |
|---------------------------------------|---------------------|
| Checking | \$ 293,952 |
| Investments – Certificates of Deposit | <u>2,196,112</u> |
| Total | <u>\$ 2,490,064</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2020, are secured as follows:

| | |
|--------------------|---------------------|
| Bank Balances | \$ 2,495,860 |
| FDIC Insurance | 500,000 |
| Pledged Collateral | <u>2,473,538</u> |
| Uninsured Amount | <u>\$ 2,979,538</u> |

The accounts are managed by the District’s fiscal agent and consist of securities issued or guaranteed by the U.S. government. Investments are in accordance with LRS 33:2955(A)(1)(e) and are not required to be covered by the pledge of securities owned by the fiscal agent bank.

Note 4 - Accounts Receivable

At December 31, 2020, the District's accounts receivable consisted of the following:

| | |
|---------------------------|-------------------|
| Property Tax Receivable | <u>\$ 376,097</u> |
| Total Accounts Receivable | <u>\$ 376,097</u> |

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 5 - Property, Plant and Equipment

Capital asset activity for the year ended December 31, 2020 and 2019 is as follows:

| | December 31, 2019 | | | December 31, 2020 | |
|------------------------------------|----------------------|-------------------|------------------|----------------------|--|
| | <u>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> | |
| Non-Depreciable Assets: | | | | | |
| Land | \$ 18,024 | \$ 25,925 | \$ - | \$ 43,949 | |
| Depreciable Assets: | | | | | |
| Trucks | 2,695,957 | - | - | 2,695,957 | |
| Equipment | 364,174 | - | - | 364,174 | |
| Buildings | <u>847,816</u> | <u>122,955</u> | - | <u>970,791</u> | |
| Totals at Historical Cost | 3,907,967 | 122,955 | - | 4,030,922 | |
| Less Accumulated Depreciation for: | | | | | |
| Trucks | (1,373,143) | (167,513) | - | (1,540,656) | |
| Equipment | (324,042) | (15,985) | - | (340,027) | |
| Buildings | <u>(226,672)</u> | <u>(17,517)</u> | - | <u>(244,189)</u> | |
| Total Accumulated Depreciation | <u>(1,923,857)</u> | <u>(201,015)</u> | - | <u>(2,124,872)</u> | |
| <u>CAPITAL ASSETS, NET</u> | <u>\$2,002,134</u> | <u>\$(52,135)</u> | <u>\$-</u> | <u>\$1,949,999</u> | |

Depreciation expense was \$201,015 in 2020.

Note 6 - Firefighters' Retirement System of Louisiana (System)

Plan Description

The Jackson Parish Ward 2 Fire District contributes to the Firefighters' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana.

Any member of the Plan can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve or more years of creditable service.

The monthly amount of benefits are 3 1/3% of their average final compensation multiplied by his total years of service, not to exceed 100% of final salary.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2020, the Ward 2 Fire Protection District's total payroll for all employees was \$97,381. Total covered payroll was \$62,027.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 6 - Firefighters' Retirement System of Louisiana (System) (Continued)

Covered payroll refers to all compensation paid by the Ward 2 Fire Protection District to active employees covered by the System.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Firefighters' Retirement System of Louisiana, 3100 Brentwood Drive, Baton Rouge, Louisiana, or by visiting the System's website www.lafirefightersret.com.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2020, total contributions due for employers and employees were 37.75% for January-June and 42.25% for July-December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer and contribution rates for all members were 27.75% and 32.25%, and the employee contribution rate was 10.00% for the entire year. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the District reported a liability of \$146,547 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Ward 2 Fire Protection District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.021142%, which was a decrease of 0.018421% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Ward 2 Fire Protection District recognized pension expense of \$25,185 plus the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$4,731). Total pension expense was \$20,454.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 6 - Firefighters' Retirement System of Louisiana (System) (Continued)

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|-------------------------------|
| Differences between expected and actual experience | - | 9,376 |
| Changes in assumption | 16,139 | - |
| Net difference between projected and actual earnings on pension plan investments | 14,166 | - |
| Changes in employer's portion of beginning net pension liability | 104,869 | 103,890 |
| Differences between employer contributions and proportionate share of employer contributions | 45 | 792 |
| Subsequent measurement contributions | 11,767 | - |
| Total | 146,986 | 114,058 |

The \$11,767 reported as deferred outflows of resources related to pensions resulting from the Ward 2 Fire Protection District contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ended December 31: | |
|-------------------------|----------|
| 2021 | 16,921 |
| 2022 | 20,088 |
| 2023 | 15,094 |
| 2024 | 723 |
| 2025 | (16,962) |
| 2026 | (14,704) |

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 6 - Firefighters' Retirement System of Louisiana (System) (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 is as follows:

| | |
|------------------------------------|--|
| Valuation Date | June 30, 2020 |
| Actuarial Cost Method | Entry Age Normal Cost |
| Actuarial Assumptions: | |
| Investment Rate of Return | 7.00% per annum (net of investment expenses, including inflation) (decreased from 7.15% in 2019) |
| Expected Remaining Service Lives | 7 years, closed period |
| Inflation rate | 2.50% per annum |
| Mortality Rate Assumption | -For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees. -For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees. -For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees. -In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale. |
| Salary increases | 14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases (in 2019, salary increases ranged from 14.75% in the first two years of service to 4.50% with 25 or more years of service) |
| Cost-of-Living Adjustments (COLAs) | For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included. |

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2020. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long term inflation assumption.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 6 - Firefighters' Retirement System of Louisiana (System) (Continued)

Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long term standard deviation and then reduced the assumption by the long term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2020.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. Prior year's financial reports presented the long-term expected real rate of return provided by the System's investment consultant, whereas this year's report presents this information for both fiscal years 2020 and 2019 from the System's actuary. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The actuary's method integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2020, and June 30, 2019, are summarized in the following tables:

| | Asset Type | Target Asset Allocation | Long-Term Expected Real Rate of Return |
|------------------------|----------------------------------|-------------------------|--|
| Equity | U.S. Equity | 26.00% | 5.72% |
| | Non-U.S. Equity | 12.00% | 6.24% |
| | Global Equity | 10.00% | 6.23% |
| | Emerging Market Equity | 6.00% | 8.61% |
| Fixed Income | U.S. Core Fixed Income | 26.00% | 1.00% |
| | Emerging Market Debt | 5.00% | 3.40% |
| Multi-Asset Strategies | Global Tactical Asset Allocation | 0.00% | 4.22% |
| | Risk Parity | 0.00% | 4.22% |
| Alternatives | Real Estate | 6.00% | 4.20% |
| | Private Equity | 9.00% | 10.29% |
| | | 100.00% | |

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 6 - Firefighters' Retirement System of Louisiana (System) (Continued)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Ward 2 Fire Protection District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Ward 2 Fire Protection District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

| | 1.0% Decrease | Current Discount Rate | 1.0% Increase |
|---|---------------|-----------------------|---------------|
| Employer's proportionate share of net pension liability | 211,685 | 146,547 | 92,175 |

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2020. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the System's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Audit Report at www.lafirefightersret.com.

Note 7 - Risk Management

The District purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

Note 8 - Subsequent Events

Subsequent events have been evaluated through May 26, 2021, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> <u>Budgetary Basis</u> | <u>Variance With</u> <u>Final Budget</u> <u>Over(Under)</u> |
|--|-------------------------|--------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes: | | | | |
| Ad valorem tax | 363,900 | 364,938 | 373,732 | 8,794 |
| Intergovernmental revenues: | | | | |
| Fire Insurance rebates | 7,000 | 7,000 | 7,567 | 567 |
| Interest and Dividend Earnings | 10,000 | 8,500 | 48,075 | 39,575 |
| Other revenues | - | - | 1,252 | 1,252 |
| Total Revenues | <u>380,900</u> | <u>380,438</u> | <u>430,626</u> | <u>50,188</u> |
| Expenditures | | | | |
| Insurance | 47,000 | 47,000 | 40,327 | 6,673 |
| Building, Equipment & Vehicles Maintenance | 30,000 | 30,000 | 24,778 | 5,222 |
| Fuel Allowance | 11,000 | 11,000 | 6,766 | 4,234 |
| Utilities | 16,000 | 16,000 | 16,218 | (218) |
| Capital Improvements | 200,000 | 200,000 | 189,341 | 10,659 |
| Small Tools & Supplies | - | - | - | - |
| Administrative | 20,000 | 20,000 | 21,876 | (1,876) |
| Training/EMS | 10,250 | 10,250 | - | 10,250 |
| Salaries & Related Benefits | 173,668 | 173,668 | 121,022 | 52,646 |
| Miscellaneous | 582 | 582 | 13,213 | (12,631) |
| Intergovernmental | - | - | 13,911 | (13,911) |
| Total Expenditures | <u>508,500</u> | <u>508,500</u> | <u>447,452</u> | <u>61,048</u> |
| Net Change in Fund Balance | (127,600) | (128,062) | (16,826) | 111,236 |
| Other Financing Sources | | | | |
| Sale of Equipment | - | - | - | - |
| Net Change in Fund Balance | (127,600) | (128,062) | (16,826) | 111,236 |
| Fund Balance at Beginning of Year | <u>2,492,480</u> | <u>2,492,480</u> | <u>2,492,480</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$2,364,880</u> | <u>\$2,364,418</u> | <u>\$ 2,475,654</u> | <u>\$ 111,236</u> |

See accompanying notes and Independent Accountant's Review Report.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
NOTES TO BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer during November of each year. During November, the Board reviews the proposed budget and makes changes as it deems appropriate. The budget is then adopted during the December meeting. All annual appropriations lapse at year end. Encumbrance accounting is not used by the District. Budgeted amounts included in the accompanying financial statements include the original adopted budget and no amendments for the year ended December 31, 2020.

See accompanying notes and Independent Accountant's Review Report.

OTHER SUPPLEMENTAL SCHEDULES

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD,
POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2020

| Name | Office | Compensation | Reimbursements |
|------------------------|--------------|--------------|----------------|
| M.A. (Mack) Williams | Commissioner | None | None |
| Alton Fallin | Commissioner | None | None |
| George Gryder | Commissioner | None | None |
| Charles Hopkins | Commissioner | None | None |
| William (Bill) Wheelis | Commissioner | None | None |

See accompanying notes and Independent Accountant's Review Report.

Schedule III

WARD TWO FIRE PROTECTION DISTRICT
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020

| <u>Fiscal Year</u> | <u>Agency's proportion of the net pension liability (asset)</u> | <u>Agency's proportionate share of the net pension liability (asset)</u> | <u>Agency's covered payroll</u> | <u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u> | <u>Plan fiduciary net position as a percentage of the total pension liability</u> |
|--------------------|---|--|---------------------------------|---|---|
| 2015 | 0.00098% | \$ 5,268 | \$ 16,198 | 33% | 72.45% |
| 2016 | 0.00744% | \$ 48,690 | \$ 30,148 | 162% | 68.16% |
| 2017 | 0.02364% | \$ 135,512 | \$ 71,340 | 190% | 73.55% |
| 2018 | 0.04306% | \$ 247,679 | \$ 107,494 | 230% | 74.76% |
| 2019 | 0.03956% | \$ 247,740 | \$ 70,833 | 350% | 73.96% |
| 2020 | 0.02114% | \$ 146,547 | \$ 52,633 | 278% | 72.61% |

Amounts presented were determined as of the measurement date (previous fiscal year end). Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule IV

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

| <u>Fiscal Year</u> | <u>(a) Statutorily required contribution</u> | <u>(b) Contributions in relation to the statutorily required contribution</u> | <u>(a-b) Contribution deficiency</u> | <u>Agency's covered payroll</u> | <u>Contributions as a percentage of covered payroll</u> |
|--------------------|--|---|--------------------------------------|---------------------------------|---|
| 2015 | \$ 4,477 | \$ 4,477 | \$ - | \$ 16,198 | 27.64% |
| 2016 | \$ 7,687 | \$ 7,687 | \$ - | \$ 30,148 | 25.50% |
| 2017 | \$ 18,545 | \$ 18,545 | \$ - | \$ 71,340 | 26.00% |
| 2018 | \$ 28,486 | \$ 28,486 | \$ - | \$ 107,494 | 26.50% |
| 2019 | \$ 19,109 | \$ 19,109 | \$ - | \$ 70,833 | 26.98% |
| 2020 | \$ 18,854 | \$ 18,854 | \$ - | \$ 62,027 | 30.40% |

Amounts presented were determined as of the end of the fiscal year. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes and Independent Accountant's Review Report.

COMPLIANCE REPORTING

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To The Board of Commissioners of the Ward Two Fire Protection District of Jackson Parish and
the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Ward Two Fire Protection District of Jackson Parish and the Louisiana Legislative Auditor (the specified parties), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000, and no expenditures were made for public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided me with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided me with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. Management represented that there was one amendment to the budget during the year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

I traced adoption of the original budget to documentation in the minutes of the meeting of the District's commissioners held on November 12, 2019. Management represented that there was one amendment to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

All of the disbursements were properly coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

The District's policies and procedures state that the chairman of the District's Board of Commissioners must approve all disbursements, with subsequent approval by the full board. Documentation supporting each of the six selected disbursements included the signature of the chairman of the Board of Commissioners. In addition, approval by the full commission for each of the disbursements was traced to the District's minute book.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. The District complied with this requirement.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I scanned copies of all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

I scanned payroll disbursements and read the meeting minutes of the District's board of commissioners for the fiscal year. I found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The District's report was submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the District entered into no contracts during the fiscal year that was subject to the public bid law.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

My prior year report, dated April 14, 2020, did include suggestions, exceptions, recommendations, and comments, one of which was resolved and the other is still applicable due to cost/benefit constrictions.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

West Monroe, Louisiana
May 26, 2021

David M. Sault, CPA (AFAC)

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Financial Statement Findings

No findings were reported under this section.

WARD TWO FIRE PROTECTION DISTRICT OF
JACKSON PARISH
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Financial Statement Findings

No findings were reported in this section.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana government agencies.

Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected governmental officials should sign the document, in lieu of such a resolution.

The completed attestation questionnaire and a copy of the adoption instrument, if appropriate, must be given to the independent certified public accountant at the beginning of the engagement. The CPA will, during the course of his engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to my office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

December 31, 2020

David M. Hart, CPA (APAC)
PO Box 1332
West Monroe, LA 71294

In connection with your review of our financial statements as of December 31, 2020 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2020

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No

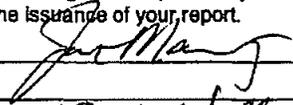
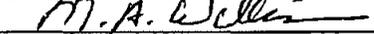
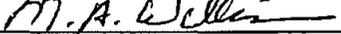
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

| | | | |
|---|-----------|------------------|------|
|  | Secretary | <u>5-26-2021</u> | Date |
|  | Treasurer | | Date |
|  | President | <u>5-26-2021</u> | Date |