

**FIRE PROTECTION DISTRICT NO. 3
OF THE PARISH OF POINTE COUPEE**

VENTRESS, LOUISIANA

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2020

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OF THE PARISH OF POINTE COUPEE
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INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fire Protection District No. 3 of the Parish Pointe Coupee, Louisiana as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 26 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to agency head, and taxable property valuations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head, and taxable property valuations are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2021 on our consideration of Fire Protection District No. 3 of the Parish of Pointe Coupee's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Baxley & Associates, LLC

Plaquemine, Louisiana
April 30, 2021

MANAGEMENT'S DISUSSION AND ANALYSIS

**FIRE PROTECTION DISTRICT NO. 3
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

As management of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2020. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations, significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$71,156 from \$3,585,186 in 2019 to \$3,656,342 in 2020.
- Ad valorem taxes increased from \$437,603 in 2019 to \$465,297 in 2020.
- Cash and cash equivalents increased by \$119,735 for the year ended December 31, 2020.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements, presented on pages 10 and 11, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

**FIRE PROTECTION DISTRICT NO. 3
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

The District's Government-Wide Financial Statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's sole operation of fire protection is classified as governmental activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is categorized as a governmental fund.

Governmental funds, presented on pages 12 through 14, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations.

Notes to the Financial Statements

The notes, presented on pages 15 through 25, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FIRE PROTECTION DISTRICT NO. 3
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the District’s budgetary control, on page 27. A tabulation of taxable property is presented on page 30 as supplementary to assist the reader in understanding the economic growth of the District and the effect it has on operations and fire protection ratings.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District’s financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$3,656,342.

The District’s net position is mainly composed of \$1,216,348 investment in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompass the area from center of False River to the northern boundary line of West Baton Rouge Parish along the southern boundary of Pointe Coupee Parish to a point on the boundary line of Pointe Coupee and West Feliciana Parishes and in the center of the Mississippi River at a point southwest of Fancy Point Towhead. Consequently, these assets are not available for future spending.

Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position, \$2,439,994 may be used to meet the District’s future operations.

SUMMARY OF NET POSITION

	2020	2019
Current and other assets	\$ 2,467,499	\$ 2,267,699
Capital assets	1,560,634	1,779,137
Total assets	4,028,133	4,046,836
Current and other liabilities	108,600	117,364
Noncurrent liabilities	263,191	344,286
Total liabilities	371,791	461,650
Net position -		
Net invested in capital assets	1,216,348	1,356,863
Restricted	-	-
Unrestricted	2,439,994	2,228,323
Total net position	3,656,342	3,585,186

The District’s total revenues decreased by \$13,975 from \$688,927 in 2019 to \$674,952 in 2020. Total expenses increased by \$18,943 from \$584,853 in 2019 to \$603,796 in 2020.

**FIRE PROTECTION DISTRICT NO. 3
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Changes in Net Position

	Governmental Activities	
	2020	2019
Revenues:		
Taxes	\$ 647,598	\$ 608,012
Intergovernmental revenues	26,854	27,016
Interest income and other revenue	500	53,899
Total Revenues	<u>674,952</u>	<u>688,927</u>
Expenses:		
Operating	385,292	358,386
Depreciation	218,504	226,467
Total Expenses	<u>603,796</u>	<u>584,853</u>
Change in Net Position	71,156	104,074
Beginning Net Position	<u>3,585,186</u>	<u>3,481,112</u>
Ending Net Position	<u>\$ 3,656,342</u>	<u>\$ 3,585,186</u>

GOVERNMENTAL FUND FINANCIAL ANALYSIS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The fund balance of the District increased by \$211,671 during the current year.

BUDGETARY HIGHLIGHTS

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on page 27. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis.

**FIRE PROTECTION DISTRICT NO. 3
OF THE PARISH OF POINTE COUPEE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Actual revenues of \$674,952 exceeded budgeted revenues of \$590,631 by \$84,321, while budgeted expenditures of \$538,240 exceeded actual expenditures of \$368,470 by \$169,770.

CAPITAL ASSETS

At December 31, 2020 and 2019, the District has \$1,560,634, and \$1,779,137 respectively, invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. Further detail on capital assets is presented in Note C on page 22.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District serves a population estimated at over 6,200 and is a rural unincorporated area. The District maintains an IRC rating of 6 and is operated by volunteer firemen and firewomen. The District obtains funding from Ad Valorem and Sales Taxes. They operated the 2020 budget on \$465,297 in Ad Valorem and \$182,301 in sales tax. Due to the large rural area, population, ratings and requirements by the State Fire Marshall, these items made it necessary for management to consider future budget projections. Such long-range projections assist management in evaluating net acquisitions or replacements to keep the fire insurance rating at a level that will return fire protection and an economic benefit to its taxpayers.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Steve Stelly of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana at (225) 638-6230.

BASIC FINANCIAL STATEMENTS

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,959,323
Receivables:	
Ad valorem taxes	463,965
Sales taxes	14,187
State revenue sharing	4,494
Prepaid insurance	24,396
Deposits	1,134
Capital assets (net of accumulated depreciation):	
Land	256,403
Buildings and Improvements	894,320
Vehicles	347,101
Machinery and equipment	62,810
TOTAL ASSETS	\$ 4,028,133
LIABILITIES	
Accounts payable	\$ 9,057
Amount due retirement system	18,448
Note payable due in one year	81,095
Non Current Liabilities:	
Note Payable	263,191
TOTAL LIABILITIES	371,791
NET POSITION	
Invested in capital assets, net	1,216,348
Unrestricted	2,439,994
TOTAL NET POSITION	\$ 3,656,342

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2020

	<u>Program Revenues</u>			<u>Net Governmental Activities</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Debt service	\$ 16,823	\$ -	\$ -	\$ (16,823)
Public safety	586,973	-	-	(586,973)
Total Governmental Activities	<u>\$ 603,796</u>	<u>-</u>	<u>-</u>	<u>(603,796)</u>
General Revenues:				
Taxes:				
				465,297
				182,301
				26,854
				<u>500</u>
				<u>674,952</u>
				71,156
				<u>3,585,186</u>
				<u>\$ 3,656,342</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,959,323	\$ -	\$ 1,959,323
Receivables:			
Ad valorem taxes	463,965	-	463,965
Sales taxes	14,187	-	14,187
State revenue sharing	4,494	-	4,494
Prepaid insurance	24,396	-	24,396
Deposits	1,134	-	1,134
TOTAL ASSETS	<u>\$ 2,467,499</u>	<u>\$ -</u>	<u>\$ 2,467,499</u>

LIABILITIES AND FUND BALANCES**Liabilities:**

Accounts payable	\$ 9,057	-	\$ 9,057
Amount due to retirement system	18,448	-	18,448

Total Liabilities 27,505 - 27,505

Fund Balance:

Nonspendable: Prepaid	24,396	-	24,396
Restricted		-	-
Unassigned	2,415,598	-	2,415,598
Total Fund Balances	<u>\$ 2,439,994</u>	<u>\$ -</u>	<u>\$ 2,439,994</u>

Amounts reported for governmental activities in the statements of net position are different because:

Capital assets used in government activities are not financial resources, and therefore, are not reported in the funds. 1,560,634

Long-term liabilities of governmental funds, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds. (344,286)

Net position of governmental activities \$ 3,656,342

The accompanying notes are an integral part of this statement.

EXHIBIT D

FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES	General	Debt Service Fund	Total Governmental Funds
Taxes			
Ad valorem	\$ 465,297	\$ -	\$ 465,297
Sales taxes	182,301	-	182,301
Intergovernmental revenues			
Fire insurance rebate	20,113	-	20,113
State revenue sharing	6,741	-	6,741
Miscellaneous revenues			
Other income	500	-	500
TOTAL REVENUES	<u>674,952</u>	<u>-</u>	<u>674,952</u>
EXPENDITURES			
Bank charges	89	-	89
Contract labor	78,691	-	78,691
Dues and subscriptions	7,812	-	7,812
Emergency 911 fee	12,886	-	12,886
Equipment repairs and maintenance	40,699	-	40,699
Firefighting equipment supplies	556	-	556
Fire prevention hydrants	7,250	-	7,250
Insurance	53,436	-	53,436
Lawn maintenance	6,825	-	6,825
Lease	3,668	-	3,668
Miscellaneous	79	-	79
Office	6,030	-	6,030
Postage and printing	355	-	355
Professional fees	14,449	-	14,449
Station repairs	33,560	-	33,560
Security	372	-	372
Sheriff pension	7,200	-	7,200
Supplies and small tools	7,659	-	7,659
Tax collector fees	18,448	-	18,448
Telephone	15,347	-	15,347
Training and fire prevention	1,674	-	1,674
Uniforms and protective gear	847	-	847
Utilities	15,561	-	15,561
Vehicle fuel and maintenance	34,977	-	34,977
Capital outlays			
Machinery and equipment	-	-	-
Vehicle	-	-	-
Building - construction	-	-	-
Debt service			
Principal retirement	-	77,988	77,988
Interest expense	-	16,823	16,823
TOTAL EXPENDITURES	<u>368,470</u>	<u>94,811</u>	<u>463,281</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>306,482</u>	<u>(94,811)</u>	<u>211,671</u>
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	-	-	-
Operating transfers in	-	94,811	94,811
Operating transfers out	(94,811)	-	(94,811)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(94,811)</u>	<u>94,811</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER USES	<u>211,671</u>	<u>-</u>	<u>211,671</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>2,228,323</u>	<u>-</u>	<u>2,228,323</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,439,994</u>	<u>\$ -</u>	<u>\$ 2,439,994</u>

The accompanying notes are an integral part of this statement.

FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Amounts reported for governmental activities are different because:

Net change in fund balances - total governmental funds (page 13)	\$	211,671
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$0) exceeded depreciation (\$218,504).		(218,504)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental resources. Neither transaction, however, has any effect on net position.		
Principal payment	\$77,989	77,989
		77,989
Change in net position of governmental activities (page 11)	\$	71,156

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fire Protection District No. 3 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 under the Authority of Louisiana Revised Statute 40:1491. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 4 and 5 and portions of the areas of District 6 and 9. The Election Districts were constituted in 1981, and it was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto and Local Services Agreements entered into by this Police Jury.

Reporting Entity

As stated previously, the District was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 and is a political subdivision of the Pointe Coupee Parish Police Jury.

In accordance with LRS 40:1494, the District is managed by a board of five commissioners. Five commissioners are appointed by the Pointe Coupee Parish Police Jury. These five commissioners then appoint one to act as chairperson.

In accordance with the requirements of Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statement No. 14 and Statement No. 34*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The financial statements present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped in the financial statements in this report as follows:

1. General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the District as a whole) 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 non-fiduciary activities of the primary government and its component units. 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 previous reporting model emphasized fund types (the total of all funds of a particular type), and the focus is either the District as a whole or major individual funds (within the fund financial statements) in the reporting model as defined by GASB Statement No. 34.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. 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 activity, (2) grants and contributions that are restricted to meet the operational requirements of a particular function or activity, and (3) grants and contributions that are restricted to meet the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund and debt service fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

Measurement Focus and Basis of Accounting

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 have been met.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government fund level 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 collected 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. The grant revenue availability period is generally considered to be one year. Expenditures generally are recorded when the 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 the liability has matured and payment is due.

Ad valorem tax revenues in the General Fund are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual criteria are met.

The following funds are being used by the District in its governmental funds:

Major Fund - General

The *General Fund* accounts for the District's primary public safety service and is the primary operating unit of the District.

Major Debt Service Fund

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

GASB No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained, and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

Assets, Liabilities, Net Position, and Fund Balances

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include demand deposits and money market accounts. Under state law, the District may deposit funds in demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or of any other state of the United States, or under the laws of the United States.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. The District does not hold any investments as of December 31, 2020.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

Receivables

Receivables consist of all revenues earned at year-end and not yet received.

Inventories

Inventories for supplies are not considered material and are recorded as expenses when purchased.

Capital Assets and Depreciation

The District's property and equipment with useful lives of more than one year are capitalized at historical cost or estimated historical cost. The District's policy has set the capitalization threshold for reporting capital assets at \$500. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear and fire code regulations are expensed when incurred.

The cost and applicable accumulated depreciation are removed from the respective accounts when capital assets are disposed, and the resulting gain or loss is recorded in operations.

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follows:

Buildings	39 years
Machinery and equipment	5 years
Vehicle and transportation equipment	5 - 10 years

Bad Debts

Uncollectible account receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2020, there were no amounts considered to be uncollectible.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Liabilities

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities statement of net position.

In the government funds financial statements, the face amount of debt is reported as other financing sources. Interest and principal payments are reported as debt service expenditures.

Net Position

In the Statement of Net Position, the difference between the District's assets and liabilities is recorded as net position. The three components of net position are as follows:

- Net invested in capital assets – This category consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances on any bond, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – This category consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – This category represents all net position that does not meet the definition of “restricted” or “net invested in capital assets.”

Fund Balance

In the fund financial statements, fund balance of the governmental funds is classified as follows:

- Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts that can only be spent for specific purposes because of constitutional provisions or enabling legislation or because constraints are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed – Amounts that can be used only for specific purposes determined by a formal action of the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the District.
- Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes.
- Unassigned – All other spendable amounts.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As of December 31, 2020, fund balances were designated as nonspendable and unassigned.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expenses) until that future period(s).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will *not* be recognized as an inflow of resources (revenue) until that future period(s).

Use of Estimates

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

Sales Tax

Fire Protection District No. 3 of the Parish of Pointe Coupee accounts for the collection of the 2% Policy Jury Sales Tax from the Pointe Coupee Parish Tax Collector. The District receives 0.05% of the 2% Police Jury Sales Tax. For the year ended December 31, 2020, the amount of sales tax received by the District was \$182,301.

Budgetary Information

Policy and Practice

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

Basis of Budgeting

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

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NOTE B – CASH AND CASH EQUIVALENTS

At year end, the District's carrying amount of deposits was \$1,959,323 and the bank balance was \$1,985,037. At December 31, 2020, the status of deposited funds and collateralized balances are as follows:

	Bank Balances 12/31/20	FDIC Insurance	Balances Uninsured
Cash	\$ 1,985,037	\$ 250,000	\$ 1,735,037
Uncollateralized--			
Securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at December 31, 2020			9,938,033
Excess of FDIC insurance and pledged securities over cash at December 31, 2020			\$ 8,202,996

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank.

NOTE C – CAPITAL ASSETS

A summary of changes in general fixed assets is as follows:

	Balance 1/1/2020	Additions	Reclassification Deletions	Balance 12/31/2020
Land	\$ 256,402	\$ -	\$ -	\$ 256,402
Buildings and Improvements	1,063,201	-	-	1,063,201
Construction in progress - bldg	-	-	-	-
Vehicles	1,727,761	-	-	1,727,761
Machinery and Equipment	356,029	-	-	356,029
Total Capital Assets	\$ 3,403,393	\$ -	\$ -	\$ 3,403,393

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE C – CAPITAL ASSETS (CONTINUED)

	Accumulated Depreciation Balance 1/1/2020	Additions	Deletions	Accumulated Depreciation Balance 12/31/2020	Capital Assets Net of Accumulated Depreciation
Land	\$ -	\$ -	\$ -	\$ -	\$ 256,403
Buildings and Improvements	140,574	28,307	-	168,881	894,320
Construction in progress - bldg	-	-	-	-	-
Vehicles	1,216,344	164,316	-	1,380,660	347,101
Machinery and Equipment	267,338	25,881	-	293,219	62,810
Total Accumulated Depreciation	\$ 1,624,256	\$ 218,504	\$ -	\$ 1,842,760	\$ 1,560,634

Depreciation for the year ended December 31, 2020 was \$ 218,504.

NOTE D – LONG-TERM DEBT

The summary of changes in governmental activities long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2020 is as follows:

	Beginning Balance	Loan Proceeds	Reductions/ Payments	Ending Balance	Non- Current Portion	Due Within One Year
Capital lease obligations:						
Government Capital Corp 2019	\$ 422,274	\$ -	\$ (77,988)	\$ 344,286	\$ 263,191	\$ 81,095
Total Governmental Activities	\$ 422,274	\$ -	\$ (77,988)	\$ 344,286	\$ 263,191	\$ 81,095

The debt outstanding at December 31, 2020 is as follows:

Government Capital Corporation

On February 14, 2019, the District entered into a lease purchase agreement for a new fire truck in the amount of \$422,274 which matures on February 14, 2024. Annual installments of \$94,812 were paid which includes an interest rate of 3.984%.

	<u>\$ 344,286</u>
Total Debt Outstanding at December 31, 2020	<u>\$ 344,286</u>

Year	<u>Government Capital Corp.</u>
2021	94,812
2022	94,812
2023	94,812
2024	94,812

The above annual debt payments include total interest payments of \$34,960.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE E- AD VALOREM TAXES

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 10% of "use" value; and all other property to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax District. The assessor is required to re-appraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.23%.

The millage rates are adopted in late October. The taxes are levied and notices are mailed out in mid-November of the year. All taxes are due by December 31st of the year and are delinquent on January 1st of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31st, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year in which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31st are shown as accounts receivable.

For the year ended December 31, 2020, taxes of \$467,586 were levied on property with assessed valuations totaling \$78,322,660 at the rate of 5.97 mills for the following purposes: (1) maintaining and operating the District's fire protection facilities, (2) purchasing fire trucks and other firefighting equipment, (3) paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service, and (4) paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

NOTE F – PENSION PLAN AND RETIREMENT COMMITMENTS

The District has no pension plan or retirement commitments.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RISK RETENTION

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2020 from coverage in the prior year. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

NOTE H – LITIGATION AND CLAIMS

There were no judgments, claims, or other similar contingencies pending against the District at December 31, 2020.

NOTE I – COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Jeff Hanks	\$	-
Frank Bonds		-
Melba Aguillard		-
Steve Stelly		-
Ashley Pourciau		-
	\$	-

NOTE J – RELATED PARTIES

The Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana is a component unit of the Pointe Coupee Parish Police Jury, and may enter into transactions with related parties, including parish council members and the parish administrator. From knowledge obtained during the audit, no related party transactions have occurred between parish council members or the parish administrator of Pointe Coupee Parish.

NOTE K – INTERFUND TRANSFERS

<u>Governmental Fund Type</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ -	\$ 94,811
Debt Service Fund	94,811	-
Total Operating Transfers	\$ 94,811	\$ 94,811

The principal purpose of the above interfund transfers is to supplement revenues for capital purchases and principal and interest payments.

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE L – LEASES

On August 16, 2017, the Fire District leased a copy machine for 36 months. The current year expense was \$3,668.

NOTE M – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

GASB Statement 87, Leases: This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The District will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the District's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the District is unknown at this time.

NOTE N – SUBSEQUENT EVENTS

The Fire District has evaluated subsequent events through the date that the financial statements were available to be issued, April 30, 2021. No events occurring after this date have been evaluated for inclusion in these financial statements.

As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The Fire District is closely monitoring its financial statements for 2021 impacts.

REQUIRED SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Taxes				
Ad valorem	\$ 442,783	\$ 442,783	\$ 465,297	\$ 22,514
Sales taxes	140,000	140,000	182,301	42,301
Intergovernmental revenues				
Fire insurance rebate	-	-	20,113	20,113
State revenue sharing	6,761	6,761	6,741	(20)
Miscellaneous revenues				
Other	1,087	1,087	500	(587)
TOTAL REVENUES	<u>590,631</u>	<u>590,631</u>	<u>674,952</u>	<u>84,321</u>
EXPENDITURES				
Advertising	500	500	-	500
Bank charges			89	(89)
Contract labor	115,000	115,000	78,691	36,309
Dispatcher's Supplemental Pay	7,200	7,200	7,200	-
Dues and subscriptions	2,000	2,000	7,812	(5,812)
Emergency 911 Fee	38,000	38,000	12,886	25,114
Equipment repairs and maintenance	22,000	22,000	40,699	(18,699)
Firefighting equipment supplies	2,000	2,000	556	1,444
Fire prevention hydrants	1,500	1,500	7,250	(5,750)
Insurance	58,000	58,000	53,436	4,564
Interest	140	140	-	140
Lawn maintenance	6,000	6,000	6,825	(825)
Lease	3,200	3,200	3,668	(468)
Meals	2,000	2,000	-	2,000
Miscellaneous	1,800	1,800	79	1,721
Office	4,000	4,000	6,030	(2,030)
Postage and printing	300	300	355	(55)
Professional fees	16,400	16,400	14,449	1,951
Security	1,700	1,700	372	1,328
Station repairs	5,000	5,000	33,560	(28,560)
Supplies	8,000	8,000	7,659	341
Tax collector fees	-	-	18,448	(18,448)
Telephone	14,000	14,000	15,347	(1,347)
Training and fire prevention	10,500	10,500	1,674	8,826
Uniforms and protective gear	5,000	5,000	847	4,153
Utilities	21,000	21,000	15,561	5,439
Vehicle fuel and maintenance	40,000	40,000	34,977	5,023
Capital outlays				
Building				-
Vehicles	100,000	100,000	-	100,000
Machinery and equipment	53,000	53,000	-	53,000
TOTAL EXPENDITURES	<u>538,240</u>	<u>538,240</u>	<u>368,470</u>	<u>169,770</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	52,391	52,391	306,482	254,091
OTHER SOURCES AND (USES)				
Operating transfers out	-	-	(94,811)	(94,811)
TOTAL OTHER SOURCES AND (USES)	-	-	(94,811)	(94,811)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXP. AND OTHER USES	52,391	52,391	211,671	159,280
FUND BALANCE AT BEGINNING OF YEAR	<u>2,228,323</u>	<u>2,228,323</u>	<u>2,228,323</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,280,714</u>	<u>\$ 2,280,714</u>	<u>\$ 2,439,994</u>	<u>\$ 159,280</u>

FIRE PROTECTION DISTRICT NO. 3 OF THE
 PARISH OF POINTE COUPEE, LOUISIANA
 DEBT SERVICE FUND - STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES		
Intergovernmental revenue	\$	-
Debt proceeds		-
Interest income		-
TOTAL REVENUES		<u>-</u>
EXPENDITURES		
Principal retirement		77,988
Interest		16,823
Miscellaneous		-
TOTAL EXPENDITURES		<u>94,811</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>(94,811)</u>
OTHER FINANCING SOURCES (USES)		
Loan Proceeds		-
Transfers to other funds		-
Transfers from other funds		94,811
TOTAL OTHER FINANCING SOURCES (USES)		<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		-
FUND BALANCE, BEGINNING		<u>-</u>
FUND BALANCE, ENDING	\$	<u><u>-</u></u>

**SUPPLEMENTARY INFORMATION AND
REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

**PARISH OF POINTE COUPEE
VENTRESS, LOUISIANA
TAXABLE PROPERTY VALUATIONS
(UNAUDITED)**

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
2011	5.97	54,902,277	10,606,475	327,769	63,325	391,094
2012	5.97	64,313,283	10,625,120	383,954	63,436	447,390
2013	5.97	70,948,994	10,687,820	423,569	63,811	487,380
2014	5.97	68,744,739	10,679,740	410,410	63,762	474,172
2015	5.97	70,838,014	10,676,070	422,910	63,740	486,647
2016	5.97	73,408,016	11,124,921	438,249	66,420	504,669
2017	5.97	72,002,416	11,219,331	429,855	66,981	496,835
2018	5.97	71,769,636	11,279,409	428,465	67,339	495,804
2019	5.97	73,136,658	11,384,989	436,626	67,970	504,596
2020	5.97	78,322,660	11,721,832	467,586	69,981	537,567

FIRE PROTECTION DISTRICT NO. 3 OF THE
 PARISH OF POINTE COUPEE, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
 TO AGENCY HEAD
 FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head: Ashley Bond

<u>Purpose</u>	<u>Amount</u>
Meals	\$ 284
Conference	-
Training	320
Dues	100
Total	<u>\$ 704</u>

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Margaret A. Pritchard, CPA/CGMA
Matthew L. Berthelot, CPA

Staci H. Joffrion, CPA/CGMA
SCHEDULE 3

Hugh F. Baxley, CPA/CGMA – Retired

Board of Commissioners
Fire Protection District No. 3 of the
Parish of Pointe Coupee
Ventress, Louisiana

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as 2020-1 and 2020-2 that we consider to be significant deficiencies.

Compliance and Other Matters

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

District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baxley & Associates, LLC

Plaquemine, Louisiana
April 30, 2021

**FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana.
2. Two significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Fire Protection District No. 3 of the Parish of Pointe Coupee, Louisiana were found.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2020-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP

Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

Criteria:

Year-end adjusting journal entries were not properly posted to the financial statements to ensure that the statements were prepared in accordance with generally accepted accounting principles.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

FIRE PROTECTION DISTRICT NO. 3
OF THE PARISH OF POINTE COUPEE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Management's Response:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

2020-2 YEAR- END CLOSING

Condition:

When closing the books at 12-31-2019, the beginning balances at 1-1-2020 changed by \$24,159.24. This was noted when reconciling the fund balance to prior year balance.

Criteria:

When closing the books at year end, the ending balances at 12-31-2019 should be the same balances at 1-1-2020. Net income or loss should roll into the fund balance. The variances included cash (\$2,602.09), payroll liabilities (\$21,557.15) and fund balance \$24,159.24.

Effect:

The condition caused the cash account, payroll liabilities account, and fund balance to have incorrect balances at 1-1-2020.

Recommendation:

We recommend the Board review the monthly financial statements for correctness and accuracy.

Management's Response:

We will continue to review the monthly bank statements and also inform the CPA of the variance.

FIRE PROTECTION DISTRICT NO. 3 OF THE
PARISH OF POINTE COUPEE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

**2019-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH
GAAP**

Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost. It, therefore, may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Current Status

In this case, we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

2019-2 BUDGET

Condition:

The District had items of their budget in which the actual expenditures exceeded seventy-five (75) percent of the budgeted amounts.

Recommendation:

We recommend the Board implement procedures to monitor budget to actual comparisons and amend budgets as necessary to comply with the Louisiana Local Government Budget Act.

Current Status

This was corrected in the current year.