

FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2020

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA

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FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

To the Board of Commissioners
Fire District No. 5 of Caddo Parish
Shreveport, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of Fire District No. 5 of Caddo Parish (the District), a component unit of the Caddo Parish Commission, 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

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fire District No. 5 of Caddo Parish, as of December 31, 2020, and the 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, budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer pension contributions be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head and schedule of compensation paid to commissioners is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information if fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my reported dated June 17, 2021 on my consideration of Fire District No. 5 of Caddo Parish's internal control over functional reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fire District No. 5 of Caddo Parish's internal control over financial reporting and compliance.



Certified Public Accountant
June 17, 2021

FIRE DISTRICT NO. 5 OF CADDO PARISH, LOUISIANA
1675 LEONARD ROAD
SHREVEPORT, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Fire District No. 5 of Caddo Parish's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2020. Please read it in conjunction with the District's financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

The District had net position of \$4,496,386 at year end which represents a decrease from the prior year of \$37,981.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of the following - Management's Discussion and Analysis (this section), the basic financial statements, and Notes to Financial Statements. These components are described below:

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the District's net position and changes in them. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

FINANCIAL ANALYSIS OF THE ENTITY

Net Position

Net position may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$4,396,386 as of December 31, 2020.

The District's major assets are its fixed assets of \$1,982,867 representing its investment in capital assets such as land, buildings and improvements, equipment and furniture, less the related debt used to acquire those assets that is still outstanding. The District owed \$531,346 at year end on the debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending. Revenues needed to repay the related debt will be provided through tax assessments on property located within the District.

Fire District No. 5 of Caddo Parish December 31,

	2020	2019
Current assets	\$ 4,345,271	\$ 4,143,975
Capital assets	1,982,867	2,196,216
Total Assets	<u>6,328,138</u>	<u>6,340,191</u>
Deferred Outflows of Resources	<u>571,190</u>	<u>376,837</u>
Current liabilities	184,180	171,043
Noncurrent liabilities	2,020,023	1,818,305
Total liabilities	<u>2,204,203</u>	<u>1,989,348</u>
Deferred inflows of resources	<u>298,739</u>	<u>293,313</u>
Net position:		
Invested in capital assets, net of related debt	1,451,521	1,606,349
Reserved for debt service	418,328	328,772
Unrestricted	<u>2,526,537</u>	<u>2,499,246</u>
Net Position	<u>\$ 4,396,386</u>	<u>\$ 4,434,367</u>

Changes in Net Position

The District's net position decreased by \$37,981 during the year ended December 31, 2020. Approximately 79% (\$1,731,116) of the District's total revenue was derived through property taxes, while approximately 8% (\$166,111) was derived through charges for structure fees. Expenses incurred by the District are primarily for the provision of fire protection and emergency medical treatment to the citizens of the District. Approximately 63% (\$1,417,265) of the District's expenses are for salaries and related payroll taxes and employee benefits.

In 2020, governmental activity expenses exceeded revenues, resulting in a decrease in net position of \$37,981.

Caddo Parish Fire District No. 1's Changes in Net Position For the Year Ended December 31,

	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Intergovernmental	\$ 78,071	\$ 79,587
Grants	-	-
General revenues:		
Property taxes	1,731,116	1,817,889
Structure fees	166,111	-
Other	218,751	481,026
	<u>2,194,049</u>	<u>2,378,502</u>
Total revenues		
	<u>2,194,049</u>	<u>2,378,502</u>
Expenses:		
Public safety - fire protection	2,210,346	2,161,546
Interest on long-term debt	21,684	23,765
	<u>2,232,030</u>	<u>2,185,311</u>
Total expenses		
	<u>2,232,030</u>	<u>2,185,311</u>
Increase (Decrease) in net position	<u>\$ (37,981)</u>	<u>\$ 193,191</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S INDIVIDUAL FUNDS

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

Governmental Funds

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

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$4,181,764.

Fund balance of \$3,735,959 was unreserved at year end and available for spending in the coming year. Fund balance of \$418,328 is reserved for debt service.

The general fund is the chief operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. The fund balance of the general fund increased by \$106,213 during 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the District complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA - R.S. 39:1301 et seq).

The District's budget was amended during 2020.

The actual expenditures were \$5,045 less than budgeted; and the actual revenues were more than budgeted amounts by \$7,215.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2020, totaled \$6,257,869, net of accumulated depreciation of \$4,275,002 leaving a book value of \$1,982,867. This investment in capital assets includes fire stations (land, buildings and improvements), fire trucks, emergency response vehicles, fire fighting and rescue equipment, office equipment and furniture (equipment and furniture).

Actual costs to purchase capital assets were \$82,293 for the year. Depreciation charges for the year totaled \$295,644.

Debt Administration

The District incurred no new long-term debt in 2020. Principal payments on debt for the year ended December 31, 2020 totaled \$58,522. At December 31, 2020, total debt was \$531,346.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered when the budget for the fiscal year ended December 31, 2021 was prepared.

Revenues are expected to stay consistent for 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Caddo Parish Fire District No. 5 for all of the District's citizens, taxpayers, investors, and creditors. The financial report seeks to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Keith Harris, Fire Chief, Fire District No. 5 of Caddo Parish, 167 Leonard Road, Shreveport, Louisiana 71115

FIRE DISTRICT NO. 5 OF CADDO PARISH

Statement of Net Position

December 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 2,135,022
Ad valorem taxes receivable	1,991,315
Fire protection service charges receivable	164,482
Other Receivables	26,975
Prepaid Insurance	27,477
	<hr/>
Total Current Assets	4,345,271
Noncurrent Assets	
Capital Assets, net	1,982,867
	<hr/>
Total Noncurrent Assets	1,982,867
	<hr/>
Total Assets	6,328,138
Deferred Outflows of Resources	
	571,190
	<hr/>
LIABILITIES	
Current Liabilities	
Accounts payable and accruals	123,365
Current portion of long-term debt	60,815
	<hr/>
Total Current Liabilities	184,180
Long Term Liabilities	
Notes payable	470,531
Net pension liabilities	1,549,492
	<hr/>
Total Long Term Liabilities	2,020,023
	<hr/>
Total Liabilities	2,204,203
Deferred Inflows of Resources	
	298,739
	<hr/>
NET POSITION	
Invested in capital assets, net of related debt	1,451,521
Reserved for debt service	418,328
Unrestricted, undesignated	2,526,537
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Net Position	\$ 4,396,386
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The notes to the financial statements are an integral part of this statement.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Statement of Activities

For the Year Ended December 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants	Capital Grants and Contributions	
Governmental Activities:				
Public safety-fire protection	\$ 2,210,346	\$ -	\$ -	\$ (2,210,346)
Interest on long term debt	21,684	-	-	(21,684)
Total Governmental Activities	\$ 2,232,030	\$ -	\$ -	\$ (2,232,030)
General Revenues:				
Taxes				
Ad valorem taxes				1,731,116
Service fees				166,111
Ambulance fees				104,079
State fire insurance rebate				14,549
State revenue sharing				9,522
State supplemental pay				54,000
Non-employer pension contribution				62,631
Interest Earned				10,410
Miscellaneous				41,631
Total General Revenues				2,194,049
Change in Net Position				(37,981)
Net Position, beginning of year				4,434,367
Net Position, end of year				\$ 4,396,386

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

FIRE DISTRICT NO. 5 OF CADDO PARISH

Balance Sheet
General Fund
December 31, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS			
Cash	1,882,416	252,606	\$ 2,135,022
Ad valorem taxes receivable	1,817,169	174,146	1,991,315
Structure fees receivable	164,482	-	164,482
Other receivables	26,975	-	26,975
Prepaid insurance	27,477	-	27,477
	<u>3,918,519</u>	<u>426,752</u>	<u>4,345,271</u>
Total Assets	\$ 3,918,519	\$ 426,752	\$ 4,345,271
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 118,391	\$ 4,974	\$ 123,365
Deferred revenue	36,692	3,450	40,142
	<u>155,083</u>	<u>8,424</u>	<u>163,507</u>
Total Liabilities	155,083	8,424	163,507
Fund Balances			
Reserved for debt service	-	418,328	418,328
Assigned - designated for special purposes	-	-	-
Nonspendable			
Prepaid expenses	27,477	-	27,477
Unassigned	3,735,959	-	3,735,959
	<u>3,763,436</u>	<u>418,328</u>	<u>4,181,764</u>
Total Fund Balances	3,763,436	418,328	4,181,764
Total Liabilities and Fund Balances	<u>3,918,519</u>	<u>426,752</u>	<u>\$ 4,345,271</u>

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

FIRE DISTRICT NO. 5 OF CADDO PARISH

Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Position of
Governmental Activities on the Statement of Net Position
Year Ended December 31, 2020

Fund Balances - Total Governmental Funds	\$ 4,181,764
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Add: Capital Assets	6,257,869
Deduct: Accumulated Depreciation	(4,275,002)

Certain liabilities, such as debt and pension liability are not due and payable in the current period and therefore are not reported in the funds.

Deduct: Long term debt	(531,346)
Pension liability	(1,549,492)

Other long term assets are not available to pay for current period expenditures and are deferred in the funds.	40,142
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Deferred outflows of resources related to net pension liability are not available resources and, therefore, are not reported in the funds.	571,190
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Deferred inflows of resources related to net pension liability are not payable from current expendable resources, and, therefore, are not reported in the funds.	<u>(298,739)</u>
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Net Position of Governmental Activities	<u>\$ 4,396,386</u>
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The notes to the financial statements are an integral part of this statement.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended December 31, 2020

	General Fund	Debt Services	Total
Revenues:			
Ad valorem taxes	\$ 1,559,077	\$ 174,761	\$ 1,733,838
Fire protection fees	169,098	-	169,098
Ambulance fees	104,079	-	104,079
Intergovernmental revenues:			
State fire insurance rebate	14,549	-	14,549
State revenue sharing	9,522	-	9,522
State supplemental pay	54,000	-	54,000
Interest earned	10,410	-	10,410
Miscellaneous	41,631	-	41,631
 Total Revenues	 <u>1,962,366</u>	 <u>174,761</u>	 <u>2,137,127</u>
Expenditures:			
Current:			
Fire protection	1,856,153	4,669	1,860,822
Debt service:			
Principal	-	58,522	58,522
Interest	-	21,684	21,684
 Total Expenditures	 <u>1,856,153</u>	 <u>84,875</u>	 <u>1,941,028</u>
 Net change in fund balance before other sources	 106,213	 89,886	 196,099
 Fund Balances, Beginning of Year	 <u>3,657,223</u>	 <u>328,442</u>	 <u>3,985,665</u>
 Fund Balances, End of Year	 <u>\$ 3,763,436</u>	 <u>\$ 418,328</u>	 <u>\$ 4,181,764</u>

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

FIRE DISTRICT NO. 5 OF CADDO PARISH

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended December 31, 2020

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

Net Change in Fund Balances - Total Governmental Funds	\$ 196,099
Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$295,644) exceeds capital outlay (\$82,293)	(213,351)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Net effect of prior and current year deferred revenue	(5,646)
Certain liabilities, such as long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Proceeds from debt proceeds are recorded as revenue in the funds, but are recorded in the statement of net position as a reduction in liabilities	-
Payments on debt are recorded as expenditures in the funds, but are recorded in the statement of net position as a reduction in liabilities.	58,522
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:	
Increase in pension expense	(136,236)
Nonemployer pension contribution revenue	<u>62,631</u>
Change in Net Position of Governmental Activities	<u>\$ (37,981)</u>

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

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

INTRODUCTION

Fire District No. 5 of Caddo Parish ("the District") was created by the Caddo Parish Commission by ordinance as provided under the Louisiana Revised Statutes 40:1492-501. The District is a component unit of the Caddo Parish Commission and is governed by a board of commissioners, who are appointed by the Caddo Parish Commission. The purpose of the District is to provide fire protection and emergency services to the residents of the District.

1. *Summary of Significant Accounting Policies:*

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June, 1999 the GASB issued Statement 34, *Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments* and Statement 35, *Basic Financial Statements - and Management's Discussion and Analysis for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Compatibility with reports issued in prior years is affected.

The District has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus*; GASB Statement No. 38, *Certain Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity is financial accountability. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

The District is a component unit of the Caddo Parish Commission, the financial reporting entity. The Commission is financially accountable for the District because it appoints a voting majority of the Board and has the ability to impose its will on the District.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements

December 31, 2020

1. *Summary of Significant Accounting Policies (continued):*

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all nonfiduciary activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function segment, or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function, segment or component unit. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District consists of one program - fire protection.

Governmental fund financial statements are provided for the District. The District consists of one governmental fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Accounting - In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Position and a Statement of Activities for the District as a whole. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

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

Eliminating Internal Activity - Interfund receivables and payables are eliminated in the Statement of Net Position.

Application of FASB Statements and Interpretations - Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets - Tangible or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, and buildings are recorded at their historical costs and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

1. *Summary of Significant Accounting Policies (continued):*

Program Revenues - The Statement of Activities presents two categories of program revenues (1) charges for services; and (2) operating grants and contributions.

Charges for services are those revenues arising from exchange or exchange-like transactions with external parties that purchase, use or directly benefit from the program goods, services or privileges. Service charges (structure fees) are reported as charges for services.

Operating grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for operating purposes of a program. Supplemental salaries paid to the firefighters by the State of Louisiana, state revenue sharing, and fire insurance rebates are reported as operating grants and contributions.

Restricted Net Position - Restricted net position are those for which a constraint has been imposed either externally or by law. Resources restricted for a specific purpose are exhausted before unrestricted net assets are used.

Government-Wide Financial Statements - 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 the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements - The governmental 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Principal revenue sources considered to be susceptible to accrual include property taxes, service fees, and interest on investments. Other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

Interest on general long-term obligations is recognized when paid.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements

December 31, 2020

1. *Summary of Significant Accounting Policies (continued):*

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including collection and disbursement of specific or legally restricted monies, the acquisition, construction or improvement of capital assets, and the servicing of long-term debt. Governmental funds of the District include:

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

Budget and Budgetary Control

A budget for the ensuing year is prepared by the fire chief and approved by the board of commissioners prior to December 31st of each year. The proposed budget is prepared on a cash basis of accounting that is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The budget is legally adopted and amended as necessary, by the board of commissioners. The board reserves all authority to make changes to the budgets. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The budget was amended in 2020.

Formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the District may deposit funds in demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

1. *Summary of Significant Accounting Policies (continued):*

Use of Estimates

The preparation of financial statements generally requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during a reporting period. Actual results could differ from those estimates.

Capital Assets

The District's assets are recorded at historical cost. Capital assets are recorded as expenditures in the governmental financial statements. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are charged to expense as incurred. Depreciation expense is recorded in the government-wide financial statements using the straight-line method over the useful lives of the assets. All assets of the District are reported in the accompanying financial statements.

Long-term obligations

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

Receivables

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business.

Governmental fund type receivables consist primarily of amounts due for property taxes and charges for service (structure fees and ambulance fees).

Net Position/Fund Balances

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

Invested in Capital Assets, Net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction, or improvement of capital assets.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

1. Summary of Significant Accounting Policies (continued):

Net Position/Fund Balances (continued)

Restricted Net Position - This category records net position that is restricted by external sources such as banks or by law are reported separately as restricted net assets.

Unrestricted Net Position - This category represents net position not appropriate for expenditures or legally separated for a specific future use.

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

Nonspendable - This classification includes amounts that cannot be spent that are not in spendable form or legally required to be maintained intact.

Unassigned - This classification is the residual fund balance for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes.

2. Cash and Cash Equivalents:

At December 31, 2016, the District has cash and cash equivalents as follows:

	Bank Balances	Book Balances
Interest-bearing demand deposits	\$ 2,131,618	\$ 2,135,022

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 deposits 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 that is mutually acceptable to both parties. At December 31, 2020, deposits of \$250,000 were collateralized by FDIC insurance. Deposits of \$1,881,618 were collateralized by securities held by the depository bank in the name of the District. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds on demand.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

3. *Ad Valorem Taxes and Structure Fees:*

Ad valorem taxes are collected by the Caddo Parish Sheriff and remitted to the District on a monthly basis. For the year ended December 31, 2020, taxes of 19.66 mills were levied and dedicated to maintenance and operations. Taxes levied were \$1,572,352. The District also collects a service charge (structure fee) for each residential or commercial structure. Total service charges levied at December 31, 2020 were \$166,875.

The District also collects a 1.85 ad valorem tax for debt service. Taxes levied were \$174,307.

4. *Receivables:*

A summary of receivables at December 31, 2020, follows:

	Total
Ad valorem Taxes	\$ 1,991,315
Structure Fees	164,482
Ambulance Fees	88,561
Total	\$ 2,155,797

5. *Capital Assets:*

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Net Additions	Ending Balance
Government activities:			
Capital assets, being depreciated:			
Buildings & improvements	\$ 1,307,018	\$ 48,776	\$ 1,355,794
Equipment & furniture	3,741,000	33,517	3,774,517
Vehicles	1,127,558	-	1,127,558
Total	6,175,576	82,293	6,257,869
Less accumulated depreciation	(3,979,358)	(295,644)	(4,275,002)
Total	(3,979,358)	(295,644)	(4,275,002)
Net capital assets	\$ 2,196,218	\$ (213,351)	\$ 1,982,867

Total additions for the year ended December 31, 2020 were \$82,293.

Depreciation expense for the year ended December 31, 2020 was \$295,644.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

6. *Firefighters' Retirement System of Louisiana (FRS):*

The District contributes to FRS which is a cost-sharing multiple employer defined benefit pension plan. FRS was established by Act 434 of 1979 to provide retirement, disability and survivor benefits to firefighters in Louisiana.

Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana revised Statutes 11:2251 - 11:2272, which should be reviewed for more complete information.

Membership is mandatory for any full-time firefighters or any person in a position as defined in the municipal fire and police civil service system who is employed by a fire department of any municipality, parish, or fire prevention district of the State of Louisiana, except Orleans and East Baton Rouge Parishes, who earns at least \$375/month excluding state supplemental pay. Employees of the system are eligible, at their option, to become members of the System. Persons must be under the age of fifty to be eligible for membership unless they become members through merger.

FRS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.lafirefightersret.com or at www.lla.la.us.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

Any member can retire providing he/she meets one of the following criteria:

- At any age after 25 years of creditable service provided they have been a member of FRS for at least one year
- At age 55 after 12 years of creditable service
- At age 50 after 20 years of creditable service

Benefit rates for membership, are three and one-third percent of average final compensation per number of years of creditable service not to exceed 100% of average final compensation.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

6. *Firefighters' Retirement System of Louisiana (FRS)(continued):*

Optional Allowances

Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected, which is the actuarial equivalent of the maximum benefit.

Option 1 - If the member dies before he has received any annuity payments, the present value of his member's annuity as it was at the time of retirement, the balance is paid to the beneficiary.

Option 2 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 - Upon retirement the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 - Upon retirement, the member elects to receive a board approved benefit payable to the member, the member's spouse, or the member's dependent child, which is actuarially equivalent to the maximum benefit.

Initial Benefit Option Plan

This option is available only to regular retirees who have not participated in the Deferred Retirement Option Plan. Under this option, members may receive an initial benefit plus a reduced monthly retirement allowance which, when combined, equal the actuarially equivalent amount of the maximum retirement allowance. The initial benefit may not exceed an amount equal to thirty-six payments of the member's maximum retirement allowance. The initial benefit can be paid either as a lump-sum payment or placed in an account called an "initial benefit account" with interest credited thereto and monthly payments made from the account.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 1/2% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the latter of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

Deferred Retirement Option Plan (DROP)

In lieu of terminating employment and accepting a service retirement allowance, any member of the system who has at least twenty-five years of creditable service and who is eligible to receive a service retirement allowance may elect to participate in DROP for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates and neither the employee nor employer contributions are payable. Compensation and creditable service will remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

6. *Firefighters' Retirement System of Louisiana (FRS)(continued):*

allowance, are paid into DROP account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account, or he may elect any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the fund during the period of participation will begin to be paid to the retiree. If employment is not terminated at the end of thirty-six months, payment into the account cease; and the member resumes active contributing membership in the system. If the participant dies during the period of participation in the program, a lump-sum payment equal to his/her balance is paid to his/her named beneficiary or, if none, to his/her estate; in addition, normal survivor benefits are payable to survivors of retirees.

Disability Benefits

Any member who has been officially certified as totally disabled solely as a result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member, is entitled to disability benefits. Any member under the age of fifty who becomes totally disabled will receive a disability benefit equal to 60% of final compensation for an injury received in the line of duty; or 75% of accrued retirement benefit with a minimum of 25% of average salary for an injury received, even though not in the line of duty. Any member age fifty or older who becomes totally disabled as a result of an injury sustained in the line of duty is entitled to disability benefit equal to the greater of 60% of final compensation or his accrued retirement benefit. Any member age fifty or older who becomes totally disabled as a result of an injury, even though not in the line of duty, is entitled to a disability benefit equal to his accrued retirement benefit with a minimum of 25% of average salary. The surviving spouse of a member who was on disability retirement at the time of death receives a benefit of \$200/month. When the member takes disability retirement, he/she may in addition take an actuarially reduced benefit in which case the member's surviving spouse receives 50% of the disability benefit being paid immediately prior to the death of the disability retiree. The retirement system may reduce benefits paid to a disability retiree who is also receiving workers compensation payments.

Survivor's Benefits

Benefits are payable to survivors of a deceased member who dies and is not eligible for retirement as follows: If any member is killed in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased member's average final compensation multiplied by his/her total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200/month or 10% of average final compensation, (not to exceed an aggregate of 100% of average final compensation) until reaching

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

6. *Firefighters' Retirement System of Louisiana (FRS)(continued):*

the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive 40% of the deceased's average final compensation, not to exceed an aggregate of 60% of average final compensation.

Cost-of-Living Increases

Under the provisions of R.S. 11:246 and 11:2260A(7), the Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost-of-living adjustment (COLA) increase of up to 3% of their current benefit, and all retired members and widows who are sixty-five years of age or older a 2% increase in their original benefit. In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earning (R.S 11:243). In lieu of these cost-of-living adjustments, pursuant to R.S. 11:241, the board may also grant an increase in the form of " $X \times (A=B)$ " where "X" is any amount up to \$1/month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30, of the initial year of such increase.

Contributions

Employer contributions are actuarially determined each year. For the measurement date of June 30, 2020, employer and employee contributions for members above the poverty line were 27.75% and 10%, respectively. The employer and employee contribution rates for those members below the poverty line were 29.75% and 8.0%, respectively.

The system also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue, but are not considered special funding situations.

The District's contractually required composite contribution rate for the year ended December 31, 2020 was 32.25% of annual payroll, 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 Actuarial Accrued Liability. Contributions to the pension plan from the District were \$169,134 for the year ended December 31, 2020.

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

At December 31, 2020, the District reported a liability of \$1,549,492 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 District's proportion of the Net Pension Liability was based on a projection of the District's

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements

December 31, 2020

6. Firefighters' Retirement System of Louisiana (FRS)(continued):

long-term share of the 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 .223542% which was an increase of .1802% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$305,370

As of 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	\$ -	\$ -
Changes in assumption	149,787	-
Net difference between projected and actual earnings on pension plan investments	170,640	(99,136)
Changes in employer's portion of beginning net pension liability	-	-
Differences between employer contributions and proportionate share of employer contributions	158,739	(199,603)
Subsequent Measurement Contributions	92,024	-
Total	\$ 571,190	\$ (298,739)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the pension expense as follows:

Year ended June 30:	
2021	\$ 45,415
2022	54,595
2023	25,340
2024	27,494
2025	18,593
Total	\$ 171,437

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

6. Firefighters' Retirement System of Louisiana (FRS)(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:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.0% net of investment expense

Mortality

The mortality rate assumption used was based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Salary Increases, including inflation (2.875%) and merit

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1-2	14.10%
3-24	5.20%
25 & Over	4.50%

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement System's Actuarial Committee, taking into consideration the recommendation of the actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements

December 31, 2020

6. Firefighters' Retirement System of Louisiana (FRS)(continued):

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected nominal rate of return was 7.0% as of June 30, 2020. Best estimates of real rates of return for each major asset class included FRS' target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Long-term Target Asset Allocation	Expected Portfolio Real Rate of Return
Fixed Income	31%	4.40%
Equity	54%	26.80%
Alternatives	15%	14.50%
Others	0%	8.44%
Total	<u>100%</u>	<u>5.24%</u>
Inflation		<u>7.00%</u>
Expected Arithmetic Normal Return		<u>12.24%</u>

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 7.0%, 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 (6.0%) or one percentage point higher (8.0) than the current rate:

	1.0% Decrease (6.0%)	Current Discount Rate (7.0%)	1.0% Increase (8.0%)
Employer's proportionate share of net pension liability	\$ 2,238,226	\$ 1,549,492	\$ 974,603

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighter's Retirement System Annual Report at www.lafirefightersret.com or at www.la.state.la.us.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

6. Firefighters' Retirement System of Louisiana (FRS)(continued):

Payables to Pension Plan

These financial statements include a payable to the pension plan of \$19,391 which is the legally contribution due at December 31, 2020. The amount is recorded in accrued expenses.

7. Per Diem Paid to Commissioners:

No per diem was paid to the commissioners for the year ended December 31, 2020.

8. Long-Term Obligations:

Changes in long-term debt are as follows:

	Balance 1/1/2020	Proceeds	(Principal) (Payments)	Balance 12/31/2020
General Obligation Bonds	<u>\$589,868</u>	-	<u>\$ (58,522)</u>	<u>531,346</u>
Totals	<u>\$ 589,868</u>	<u>\$ -</u>	<u>\$ (58,522)</u>	<u>\$ 531,346</u>

Bonds payable at December 31, 2020 is comprised of the following:

Bonds issued August 22, 2018 due in monthly payments of \$6,686 including principal and interest at 3.85%, beginning September 15, 2018 through August 15, 2028, collateralized to levy and collection of ad valorem taxes.

The annual requirements to amortize bonds payable, including interest of \$104,902 as of December 31, 2020 are as follows:

Year Ending	Principal	Interest	Total
2021	\$ 60,815	\$ 19,411	\$ 80,226
2022	63,198	17,028	80,226
2023	65,674	14,552	80,226
2024	68,248	11,978	80,226
2025 and after	<u>273,411</u>	<u>10,925</u>	<u>284,336</u>
Total	<u>\$ 531,346</u>	<u>\$ 73,894</u>	<u>\$ 605,240</u>

FIRE DISTRICT NO. 5 OF CADDO PARISH

Notes to Financial Statements
December 31, 2020

9. Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation. There were no significant reductions in insurance coverage from the prior year.

10. On-Behalf Payments for Fringe Benefits and Salaries:

Supplemental salary payments are made by the State directly to certain firemen employed by the District. GASB Statement No. 24 requires that on-behalf payments be recognized as both revenue and expenditure by an employer government entity. In accordance with this Statement, \$54,000 has been recognized as both intergovernmental revenue (state supplemental pay) and salaries in the General Fund.

11. Reconciliation of Differences between the Budgetary-Based Fund Financial Statements and the GAAP-Based Fund Financial Statements:

As discussed in Note 1, the budget is prepared on a cash basis of accounting. However, the modified accrual basis of accounting is used for fund financial reporting purposes in accordance with GAAP. Exhibit 1 on page 30 is a reconciliation of revenues and expenditures recognized in accordance to the budgetary basis (cash basis) for the year ended December 31, 2020.

12. Subsequent Events:

On March 13, 2020, a national emergency was declared relating to the COVID-19 virus. As of the date of this report, the pandemic is ongoing. Future potential impacts may include disruptions or restrictions on employees' ability to work. The future effects of this issue are unknown.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Budgetary/GAAP Reporting Reconciliation

December 31, 2020

	General Fund		
	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis
Revenues:			
Ad valorem taxes	\$ 1,559,077	\$ 1,511	\$ 1,560,588
Fire protection service fees	169,098	(1,985)	167,113
Ambulance fees	104,079	(745)	103,334
Intergovernmental		-	
State fire insurance rebate	14,549	-	14,549
Grants	-	-	-
State revenue sharing	9,522	120	9,642
State supplemental pay	54,000	(54,000)	-
Interest earned	10,410	-	10,410
Miscellaneous	41,631	230	41,861
Total revenues	<u>1,962,366</u>	<u>(54,869)</u>	<u>1,907,497</u>
Expenditures:			
Fire protection	1,856,153	(69,469)	1,786,684
Debt service	-	-	-
Total expenditures	<u>1,856,153</u>	<u>(69,469)</u>	<u>1,786,684</u>
Changes in Fund Balance before Other Financing Resources	106,213	14,600	120,813
Other Financing Sources:			
Proceeds from Certificates of Indebtedness	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over Expenditures	106,213	<u>14,600</u>	<u>120,813</u>
Fund Balance, Beginning of Year	<u>3,657,223</u>		
Fund Balance, End of Year	<u><u>\$ 3,763,436</u></u>		

FIRE DISTRICT NO. 5 OF CADDO PARISH
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
(Cash Basis)
General Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Budgetary Basis</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 1,544,079	\$ 1,560,770	\$ 1,560,588	\$ (182)
Fire protection service fees	164,518	166,750	167,113	363
Insurance revenue	80,100	104,040	103,334	(706)
Intergovernmental				-
State fire insurance rebate	14,600	14,550	14,549	(1)
State revenue sharing	9,950	9,642	9,642	(0)
Interest earned	4,900	6,110	10,410	4,300
Miscellaneous	900	38,420	41,861	3,441
Total revenues	<u>1,819,047</u>	<u>1,900,282</u>	<u>1,907,497</u>	<u>7,215</u>
Expenditures:				
General government	<u>1,805,191</u>	<u>1,791,729</u>	<u>1,786,684</u>	<u>5,045</u>
Total expenditures	<u>1,805,191</u>	<u>1,791,729</u>	<u>1,786,684</u>	<u>5,045</u>
Excess Revenues				
Over Expenditures before				
Other Financing Sources				
	13,856	108,553	120,813	12,260
Other Financing Sources:				
Proceeds from debt	-	-	-	-
Excess Revenues over				
Expenditures				
	13,856	108,553	120,813	12,260
Fund Balances, Beginning of Year	<u>3,657,223</u>	<u>3,657,223</u>	<u>3,657,223</u>	<u>-</u>
Fund Balances, End of Year	<u>\$3,671,079</u>	<u>\$3,765,776</u>	<u>\$ 3,778,036</u>	<u>\$ 12,260</u>

FIRE DISTRICT NO. 5 OF CADDO PARISH
 Schedule of Employer's Share of Net Pension Liability
 Year Ended December 31, 2020

Year Ended Jun 30	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.225891%	\$ 2,440,639	\$ 698,098	349.61%	99.55%
2016	0.207435%	3,032,233	1,122,368	270.16%	68.16%
2017	0.227635%	1,304,769	486,491	268.20%	73.55%
2018	0.200183%	1,151,468	464,641	247.82%	74.76%
2019	0.205522%	1,286,960	544,526	236.34%	73.96%
2020	0.223542%	1,549,492	563,677	274.89%	72.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Schedule of Employer Contributions
Year Ended December 31, 2020

<u>Year Ended December 31</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 129,341	\$ 129,341	\$ -	\$ 517,672	24.99%
2016	136,261	136,261	-	520,868	26.16%
2017	125,824	125,824	-	486,491	25.86%
2018	123,131	123,131	-	464,641	26.50%
2019	147,777	147,777	-	544,526	27.14%
2020	169,261	169,261	-	563,677	30.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Note to Retirement System Schedules
Year Ended December 31, 2020

Firefighter's Retirement System

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2016. 2020.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2020.

FIRE DISTRICT NO. 5 OF CADDO PARISH

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2020

Agency Head: Glenn "Keith", Fire Chief

Salary	<u>\$ 64,540</u>
Payroll Taxes	<u>\$ 1,584</u>
Insurance	<u>\$ 2,188</u>
Reimbursements	<u>\$ 72</u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

Board of Commissioners
Fire District No. 5 of Caddo Parish
Shreveport, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Fire District No. 5 of Caddo Parish as of and for the year ended December 31, 2020, and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 17, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Fire District No. 5 of Caddo Parish's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 District's financial statements will not be prevented, or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire District No 5 of Caddo Parish's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant

June 17, 2021

FIRE DISTRICT NO. 5 OF CADDO PARISH

Corrective Action Taken on Prior Year Findings

Year Ended December 31, 2020

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

FIRE DISTRICT NO. 5 OF CADDO PARISH

Schedule of Findings

Year Ended December 31, 2020

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the District were disclosed.

There were no findings for the year ended December 31, 2020.