

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA

*Financial Statements*  
*For the Year Ended December 31, 2020*

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

### ***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities of the Lincoln Parish Fire Protection District No. 1, 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

### ***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lincoln Parish Fire Protection District No. 1, 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 4-6; the budgetary comparison information on pages 25-27; and the schedule of proportionate share of the net pension liability and schedule of contributions related to the Firefighters' Retirement of Louisiana on page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is the responsibility of management and was derived directly from and relate 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to 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 Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer 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*, I have also issued my report dated September 27, 2021 on my consideration of the District's internal control over financial 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 the testing, and not to provide an opinion on internal control over financial reporting or on compliance.

To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln Parish Fire Protection District No. 1's internal control over financial reporting and compliance.

WILLIAM R. HULSEY (APAC)  
Certified Public Accountant

A handwritten signature in black ink, appearing to read 'W. R. Hulsey', with a long horizontal stroke extending to the right.

September 27, 2021

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

**LINCOLN PARISH FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Lincoln Parish Fire Protection District provides an overview of the District’s activities for the year ended December 31, 2020 as compared to 2019. Please read it in conjunction with the District’s financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Fire District as a whole.

**Reporting the District as a Whole  
The Statement of Net Position and the Statement of Activities**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report to the District’s net position and changes in them. The District’s net position (the differences between assets and liabilities) measure the District’s financial position. The increases or decreases in the District’s net position are an indicator or whether its financial position is improving or not.

**THE FIRE DISTRICT AS A WHOLE**

For the year ended December 31, 2020 and 2019, net position changed as follows:

	<u>2020</u>	<u>2019</u>
Beginning Net Position	\$ 4,420,854	\$ 4,289,206
Increase (Decrease) in Net Position	<u>(46,985)</u>	<u>131,648</u>
Ending Net Position	<u>\$ 4,373,869</u>	<u>\$ 4,420,854</u>

## The Fire District's Funds

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2020 and 2019:

Revenues	2020 Amount	Percent Of Total	2019 Amount	Percent Of Total
Sales Tax	\$ 485,969	36.95%	\$ 553,912	35.44%
Structure Fees	648,374	49.30%	641,350	41.04%
Grants	20,000	0.15%	10,000	0.64%
Other revenues	209,620	13.60%	357,602	22.88%
Total Revenues	\$1,363,963	100.00%	\$1,562,864	100.00%

Expenditures	2020 Amount	Percent Of Total	2019 Amount	Percent Of Total
Public Safety	\$ 1,410,948	100.00%	\$1,431,126	100.00%
Total Expenditures	\$ 1,410,948	100.00%	\$1,431,126	100.00%

## GENERAL FUND BUDGETARY HIGHLIGHTS

The Fire District's General Fund revenues were below the final budgeted amount by \$10,536 while expenditures had an favorable variance of \$12,392.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

At December 31, 2020, the Fire District had \$6,655,392 (\$1,371,385, net of accumulated depreciation) invested in capital assets including buildings, vehicles, and machinery and equipment as shown below:

	December 31 2019	Additions	Disposals	December 31 2020
Vehicles	\$ 2,244,563	\$ -	\$ -	\$ 2,444,563
Building	981,628	-	-	981,628
Machinery & Equipment	3,229,201	-	-	3,229,201
Land	12,800	-	-	12,800
Totals at Historical Cost	6,655,392	-	-	6,655,392
Less Accumulated Depreciation	(5,130,877)	(165,930)	-	(5,296,806)
Totals, net	\$ 1,537,315	\$ (165,930)	\$ -	\$ 1,371,385



## **DEBT**

The District had a total liability for compensated absences of \$8,115 at year end.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Fire District has continued to hire additional firefighter/operators in the last several years. The District has also purchased replacement vehicles and equipment as needed. It is the goal of the District to provide the best fire protection possible for the citizens of Lincoln Parish and will continue its goal of an improved fire rating.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about the report or need additional information, contact the following:

Contact Person: Kevin Reynolds  
Title: Fire Chief

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash	\$ 1,299,196
Investments	2,128,539
Accounts Receivable	720,312
Due from LPPJ	411,317
Non-Depreciable Assets	12,800
Depreciable Assets	<u>1,358,585</u>
Total Assets	<u>5,930,749</u>
 <i>Deferred Outflows of Resources</i>	
Pension Related	459,086
Prepaid Expenses	<u>62,973</u>
Total Deferred Outflows of Resources	522,059
 <i>Liabilities</i>	
Accounts Payable	29,149
Due to LPPJ	276,836
Non-Current Liabilities	
Net Pension Liability	1,546,297
Compensated Absences	<u>8,115</u>
Total Liabilities	<u>1,860,397</u>
 <i>Deferred Inflows of Resources</i>	
Pension Related	218,542
 <i>Net Position</i>	
Net Investment in Capital Assets	1,371,385
Unrestricted	<u>3,002,484</u>
Total Net Position	<u><u>\$ 4,373,869</u></u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

		<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Function/Program Activities					
Government Activities:					
Public Safety	<u>\$ 1,410,948</u>	<u>\$ 648,374</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (742,574)</u>

General Revenues:

Sales Tax	485,969
Fire Insurance Rebate	76,747
Other Revenues	142,873
Transfers Out	<u>(10,000)</u>
Total General Revenues	<u>695,589</u>
 Changes in Net Position	 (46,985)
 Net Position - Beginning	 <u>4,420,854</u>
 Net Position - Ending	 <u>\$ 4,373,869</u>

The accompanying notes are an integral part of this financial statement.

**FUND FINANCIAL STATEMENTS**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Equipment Reserve Fund</u>	<u>Fire Training Center</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash	\$ 987,542	\$ -	\$ -	\$ 311,654	\$ 1,299,196
Investments	4,323	-	2,124,216	-	2,128,539
Accounts Receivable	720,312	-	-	-	720,312
Prepaid Expenses	62,973	-	-	-	62,973
Due from LPPJ	405,059	3,394	-	2,864	411,317
Due from Other Funds	1,273,547	-	194,788	44,178	1,512,513
<b>TOTAL ASSETS</b>	<u>\$ 3,453,756</u>	<u>\$ 3,394</u>	<u>\$ 2,319,004</u>	<u>\$ 358,696</u>	<u>\$ 6,134,850</u>
<b>LIABILITIES AND FUND EQUITY:</b>					
<b>LIABILITIES:</b>					
Accounts Payable	\$ 29,102	\$ -	\$ -	\$ 47	\$ 29,149
Due to LPPJ	275,396	12	-	1,428	276,836
Due to Other Funds	154,512	84,454	1,266,290	7,257	1,512,513
<b>Total Liabilities</b>	<u>459,010</u>	<u>84,466</u>	<u>1,266,290</u>	<u>8,732</u>	<u>1,818,498</u>
<b>FUND BALANCES:</b>					
Nonspendable	-	-	-	-	-
Restricted	-	(81,072)	1,052,714	-	971,642
Committed	-	-	-	-	-
Assigned	-	-	-	349,964	349,964
Unassigned	2,994,746	-	-	-	2,994,746
<b>Total Fund Balances</b>	<u>2,994,746</u>	<u>(81,072)</u>	<u>1,052,714</u>	<u>349,964</u>	<u>4,316,352</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 3,453,756</u>	<u>\$ 3,394</u>	<u>\$ 2,319,004</u>	<u>\$ 358,696</u>	<u>\$ 6,134,850</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2020

Total Governmental Fund Balances	\$ 4,316,352
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,371,385
Pension related items are not reported in the fund statements:	
Deferred outflows	459,086
Deferred inflows	(218,542)
Net pension liability	(1,546,297)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(8,115)</u>
Net Position of Governmental Activities	<u><u>\$ 4,373,869</u></u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Debt Service Fund	Equipment Reserve Fund	Fire Training Center	Total Governmental Funds
Revenues:					
Structure Fees	\$ 648,374	\$ -	\$ -	\$ -	\$ 648,374
Sales Tax	485,969	-	-	-	485,969
Local Grants	-	-	-	20,000	20,000
Insurance Rebate	76,747	-	-	-	76,747
Other Revenues	57,594	-	22,629	148	80,371
Total Revenues	<u>1,268,684</u>	<u>-</u>	<u>22,629</u>	<u>20,148</u>	<u>1,311,461</u>
Expenditures:					
Public Safety					
Salaries and Benefits	906,013	-	-	-	906,013
Insurance and Surety Bonds	66,174	-	-	-	66,174
GIS Mapping	20,000	-	-	-	20,000
Professional Services	39,654	-	-	405	40,059
Uniforms	4,292	-	-	-	4,292
Utilities	42,675	-	-	3,507	46,182
Vehicle Expenditures	18,531	-	-	-	18,531
Maintenance	64,976	-	-	7,160	72,136
Education and Training	245	-	-	-	245
Telephone	1,729	-	-	-	1,729
Office Supplies	654	-	-	-	654
Dues and Subscriptions	1,086	-	-	-	1,086
Equipment Rental	1,872	-	-	-	1,872
Travel	-	-	-	-	-
Election Expense	14,650	-	-	-	14,650
Miscellaneous	9,325	-	-	-	9,325
Leases and Taxes	1,371	-	-	-	1,371
Materials and Supplies	5,414	-	-	-	5,414
Capital Outlay	1,647	-	-	-	1,647
Total Expenditures	<u>1,200,308</u>	<u>-</u>	<u>-</u>	<u>11,072</u>	<u>1,211,380</u>
Excess (Deficiency) of Revenues Over Expenditures	68,376	-	22,629	9,076	100,081
Other Financing Sources (uses):					
Operating Transfers In	-	-	-	10,000	10,000
Operating Transfers Out	(20,000)	-	-	-	(20,000)
Total Other Financing Sources(Uses)	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	48,376	-	22,629	19,076	90,081
Fund Balances, Beginning	<u>2,946,370</u>	<u>(81,072)</u>	<u>1,030,085</u>	<u>330,888</u>	<u>4,226,271</u>
Fund Balances, Ending	<u>\$ 2,994,746</u>	<u>\$ (81,072)</u>	<u>\$ 1,052,714</u>	<u>\$ 349,964</u>	<u>\$ 4,316,352</u>

The accompanying notes are an integral part of this financial statement



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Total Governmental Funds		\$ 90,081
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		-
Depreciation expense		(165,930)
		(165,930)
 Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:		
Pension expense		(40,961)
Other parties' contributions to pension plans		62,502
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
		7,323
Change in Net Position in Governmental Activities		\$ (46,985)

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Fire Protection District No. 1 (the District) of Ruston, Louisiana was created by resolution and adopted by the Police Jury on April 23, 1991. The governing body of the District consists of a seven-member Board of Commissioners. Four of these commissioners are appointed by the municipalities of Downsville, Dubach, Simsboro, and the Town of Vienna. Three additional members are appointed by the Policy Jury.

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

*Government-Wide Financial Statements* – The governmental-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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements* – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end

Principal revenue sources considered susceptible to accrual include ad valorem taxes, structure fees, sales tax, and interest on investments. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the District's present appropriation system.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. 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:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2020 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

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 results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

*General Fund* – This fund is established to account for resources devoted to financing the general services that the District performs. Fees and other revenues used to finance the fundamental operation of the District are included in this fund. The fund is charged with all costs of operating the District for which a separate fund has not been established.

*Debt Service* – This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

*Equipment Reserve Fund* – This fund is established to reserve funds for the replacement of equipment when necessary.

*Fire Training Center Fund* - This fund is established for the purpose of constructing and maintaining a building for training of firefighters.

Use of Estimates

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting Procedures

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

Cash and Cash Equivalents

Cash includes demand deposits and money market accounts. Under state law, the Lincoln Parish Fire Protection District No. 1 may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Lincoln Parish Fire Protection District No. 1 may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The District's policy is to include short-term interest-bearing deposits having a maturity of three months or less as cash equivalents in the financial statements.

Valuation of Carrying Amounts and Deposits

Cash is reported at net book value – the year-end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Fund Equity

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

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

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

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

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

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

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

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

Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. In the process of aggregating data for the statements of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Quasi-external transactions are accounted for as revenue and expenditures. Transactions that constitute reimbursements to a fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund transactions that are not to be repaid are recorded as transfers.

Fixed Assets

Fixed assets of the District are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciable lives are 5 years for equipment and vehicles and 40 years for buildings.

Compensated Absences

Employees accrue from 18 to 30 days of annual leave each year depending on years of service with the District. Firemen may receive up to one year’s sick leave per illness as prescribed under Louisiana law. A provision of \$8,115 has been made for the compensated absences and vacation in these financial statements.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – CASH AND CASH EQUIVALENTS

*Custodial Credit Risk – Deposits.* The custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its’ own securities to cover any amount in excess of Federal Depository Insurance Coverage. 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 bank has failed to pay deposited funds upon demand. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2020. The District had cash and cash equivalents in demand deposits, totaling \$1,299,196 at December 31, 2020.

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2020, are secured, as follows:

Bank Balances	<u>\$ 1,272,220</u>
FDIC Insurance	250,000
Pledged Securities (uncollateralized)	<u>1,126,556</u>
Total	<u>\$ 1,376,556</u>

NOTE 3 – PROPERTY AND EQUIPMENT

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

	December 31, 2019			December 31, 2020
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Assets:				
Land	\$ 12,800	\$ -	\$ -	\$ 12,800
Construction in Process	-	-	-	-
Vehicles	2,444,563	-	-	2,444,563
Building	981,628	-	-	981,628
Machinery & Equipment	<u>3,229,201</u>	-	-	<u>3,229,201</u>
Totals at Historical Cost	<u>6,655,392</u>	-	-	<u>6,655,392</u>
Less Accumulated Depreciation for:				
Vehicles	( 1,713,564)	( 122,616)	-	( 1,836,180)
Building	( 225,157)	( 24,523)	-	( 249,680)
Machinery & Equipment	<u>( 3,192,156)</u>	<u>( 18,791)</u>	-	<u>( 3,210,947)</u>
Total Accumulated Depreciation	<u>( 5,130,877)</u>	<u>( 165,930)</u>	-	<u>( 5,296,806)</u>
Total Capital Assets Being Depreciated, Net	<u>1,524,515</u>	<u>( 165,930)</u>	-	<u>1,358,585</u>
<b><u>CAPITAL ASSETS, NET</u></b>	<b><u>\$1,537,315</u></b>	<b><u>\$ (165,930)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,371,385</u></b>

Depreciation was charged to the Public Safety function of the District for \$165,930.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 – INVESTMENTS

*Custodial Credit Risk – Investments.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s investments in United States government securities are held by the District’s agent in the District’s name. Therefore, the District had no custodial credit risk related to its investments at December 31, 2020.

Under state law, the District may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2020, the District had the following investments stated at cost, which approximates market:

United States Government Securities	<u>\$ 2,128,539</u>
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*Interest Rate Risk.* In accordance with its investments policy, the District manages its exposure to declines in fair market values by limiting investment portfolio to “money market investments” which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

*Credit Risk.* The District’s investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

*Concentration of Credit Risk.* The District’s investment policy limits the District’s investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

NOTE 5 – ACCOUNTS RECEIVABLE

The receivable of \$720,311 on December 31, 2020, are detailed as follows:

	<u>Total</u>
Structure Fees	\$ 662,180
Sales Tax	58,132
Other Receivables	<u>          -</u>
Total	<u>\$ 720,312</u>

Based on prior experience, the uncollectible ad valorem taxes net of proceeds from the sheriff’s sale of property is immaterial, thus no provision for an uncollectible amount has been made. The District records 95% of the structure fee assessment per the tax roll as receivable at year end.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 – DUE TO/FROM OTHER FUNDS

Individual fund balances due to/from other funds at December 31, 2020, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$1,273,547	\$ 154,512
Debt Service Fund	-	84,454
Fire Training Center	44,178	7,257
Equipment Reserve Fund	<u>194,788</u>	<u>1,266,290</u>
Totals	<u>\$1,512,513</u>	<u>\$1,512,513</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

NOTE 7 – PENSION PLAN

*Plan Description*

The Lincoln Fire District #1 contributes to the Firefighters’ Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana.

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

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

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

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

For the year ended December 31,20, the Lincoln Fire District #1’s total payroll for all employees was \$526,352. Total covered payroll was \$546,533. Covered payroll refers to all compensation paid by the Lincoln Fire District #1 to active employees covered by the System.

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



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 – PENSION PLAN (continued)

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2019, total contributions due for employers and employees were 26.50% (Jan-Jun) and 27.75% (Jul-Dec), actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer and contribution rates for all members were 26.50% (Jan-Jun) and 27.75% (Jul-Dec), and the employee contribution rate was 10.00% for the entire year. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

At December 31, 2020, the District reported a liability of \$1,546,297 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 Lincoln Fire District #1's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.223081%, which was a decrease of 0.008830% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Lincoln Fire District #1 recognized pension expense of \$265,735 plus the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$231,721). Total pension expense was \$34,014.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	98,932
Changes in assumption	149,478	-
Net difference between projected and actual earnings on pension plan investments	170,288	-
Changes in employer's portion of beginning net pension liability	40,359	115,236
Differences between employer contributions and proportionate share of employer contributions	4,984	4,641
Subsequent measurement contributions	93,977	-
Total	459,086	218,542

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 – PENSION PLAN (continued)

The \$93,977 reported as deferred outflows of resources related to pensions resulting from the Lincoln Fire District #1 contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:	
2021	9,508
2022	39,572
2023	54,432
2024	40,290
2025	6,283
2026	(3,518)

*Actuarial Assumptions*

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.00% per annum (net of investment expenses, including inflation) (decreased from 7.15% in 2019)
Expected Remaining Service Lives	7 years, closed period
Inflation rate	2.50% per annum
Mortality Rate Assumption	The mortality rate assumption used was set 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. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.
Salary increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases (in 2019, salary increases ranged from 14.75% in the first two years of service to 4.50% with 25 or more years of service).

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Cost-of-Living Adjustments (COLAs)	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.
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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 future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.50%. The resulting long-term expected arithmetic nominal rate of return was 7.94% as of June 30, 2019. Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2020, are summarized in the following table:

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payment to determine the total pension liability.

*Sensitivity of the Lincoln Fire District #1's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Lincoln Fire District #1's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 – PENSION PLAN (continued)

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	2,102,892	1,452,206	906,069

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2020. There is no amount recorded in accrued expenses.

*Plan Fiduciary Net Position*

Detailed information about the System’s fiduciary net position is available in the separately issued Firefighters’ Retirement System of Louisiana Audit Report at [www.lafirefightersret.com](http://www.lafirefightersret.com).

NOTE 9 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Fire Protection District No. 1 may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Lincoln Parish Fire Protection District No. 1. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Fire Protection District No. 1.

NOTE 10 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 2020, there was one unfavorable variances more than 5%.

	<u>Budget</u>	<u>Actual</u>	<u>Variances (Unfavorable)</u>
General Fund			
Salaries and Benefits	\$ 854,100	\$ 906,013	\$ (51,913)

NOTE 11 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Lincoln Parish Fire Protection District No. 1 had no pending or threatened litigation as of December 31, 2020.

NOTE 12 –COMPENSATION FOR THE BOARD OF COMMISSIONERS

The members of the Board for the Fire Protection District No. 1 receive no compensation.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 27, 2021, which the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental:				
Local Grant	\$ -	\$ -	\$ -	\$ -
Sales Tax	525,000	450,000	485,969	35,969
Structure Fees	645,000	645,000	648,374	3,374
Other Revenues	85,500	184,040	134,341	(49,699)
Total Revenues	<u>1,255,500</u>	<u>1,279,040</u>	<u>1,268,684</u>	<u>(10,356)</u>
<u>Expenditures (Outflows):</u>				
Public Safety				
Salaries and Benefits	926,500	854,100	906,013	(51,913)
Insurance and Surety Bonds	60,000	66,200	66,174	26
GIS Mapping	20,000	20,000	20,000	-
Professional Services	37,500	40,000	39,654	346
Uniforms	7,500	5,000	4,292	708
Utilities	42,000	42,000	42,675	(675)
Vehicle Expenditures	40,000	25,000	18,531	6,469
Maintenance	60,000	119,000	64,976	54,024
Education and Training	2,000	500	245	255
Telephone	1,600	1,800	1,729	71
Office Supplies	2,500	1,000	654	346
Dues and Subscriptions	2,000	2,000	1,086	914
Equipment Rental	3,000	2,000	1,872	128
Travel	-	-	-	-
Election Expense	-	14,500	14,650	(150)
Miscellaneous	13,500	9,500	9,325	175
Leases and Taxes	1,600	1,600	1,371	229
Materials and Supplies	5,000	6,000	5,414	586
Capital Outlay	11,500	2,500	1,647	853
Total Expenditures	<u>1,236,200</u>	<u>1,212,700</u>	<u>1,200,308</u>	<u>12,392</u>
<u>Excess Expenditures Over Revenues</u>	19,300	66,340	68,376	2,036
<u>Other Financing Uses</u>				
Transfers In (Out)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(20,000)</u>	<u>(10,000)</u>
<u>Fund Balance at Beginning of Year</u>	<u>2,946,370</u>	<u>2,946,370</u>	<u>2,946,370</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,955,670</u>	<u>\$ 3,002,710</u>	<u>\$ 2,994,746</u>	<u>\$ (7,964)</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - EQUIPMENT RESERVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Other Revenues	\$ 20,000	\$ 20,000	\$ 22,629	\$ 2,629
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>22,629</u>	<u>2,629</u>
<u>Expenditures (Outflows):</u>				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	20,000	20,000	22,629	2,629
<u>Other Financing Sources</u>				
Transfers In (Out)	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	<u>1,030,085</u>	<u>1,030,085</u>	<u>1,030,085</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,050,085</u>	<u>\$ 1,050,085</u>	<u>\$ 1,052,714</u>	<u>\$ 2,629</u>

The accompanying notes are an integral part of this financial statement.



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - FIRE TRAINING CENTER  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Grant Revenue	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000
Other Revenues	-	-	148	148
	<u>10,000</u>	<u>10,000</u>	<u>20,148</u>	<u>10,148</u>
<u>Expenditures (Outflows):</u>				
Maintenance of Buildings	100	100	-	100
Utilities	3,700	3,700	3,507	193
Materials & Supplies	800	800	-	800
Insurance	2,250	2,250	-	2,250
Maintenance of Equipment	-	-	7,160	(7,160)
Capital Outlay	-	-	-	-
Professional Services	400	400	405	(5)
	<u>7,250</u>	<u>7,250</u>	<u>11,072</u>	<u>(3,822)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	2,750	2,750	9,076	6,326
<u>Other Financing Sources</u>				
Transfers In (Out)	10,000	10,000	10,000	-
<u>Fund Balance at Beginning of Year</u>	<u>330,888</u>	<u>330,888</u>	<u>330,888</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 343,638</u>	<u>\$ 343,638</u>	<u>\$ 349,964</u>	<u>\$ 6,326</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2020

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles. Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require approval of the Commissioners. At year end, all appropriations lapse.

State law requires the District to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO.1  
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2020

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.26669%	\$ 1,439,329	\$ 517,877	278%	72.45%
2016	0.23997%	\$ 1,569,621	\$ 540,151	291%	68.16%
2017	0.22474%	\$ 1,288,199	\$ 539,611	239%	73.55%
2018	0.22643%	\$ 1,302,455	\$ 539,472	241%	74.76%
2019	0.23191%	\$ 1,452,206	\$ 578,524	251%	73.96%
2020	0.22308%	\$ 1,546,297	\$ 546,533	283%	72.61%

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

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

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 146,024	\$ 146,024	\$ -	\$ 517,877	28.20%
2016	\$ 141,893	\$ 141,893	\$ -	\$ 540,151	26.27%
2017	\$ 139,727	\$ 139,727	\$ -	\$ 539,611	25.89%
2018	\$ 143,329	\$ 143,329	\$ -	\$ 539,472	26.57%
2019	\$ 163,096	\$ 163,096	\$ -	\$ 578,524	28.19%
2020	\$ 164,776	\$ 164,776	\$ -	\$ 546,533	30.15%

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

The accompanying notes are an integral part of this financial statement.

**OTHER SUPPLEMENTAL INFORMATION**

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2020

		<u>Kevin Reynolds</u> <u>Fire Chief</u>
<i><b>Purpose:</b></i>		
Salary	\$	74,975
Supplemental Pay		6,231
Benefits - Retirement		25,399
 Total	 \$	 <u>106,605</u>

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, 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 the Lincoln Parish Fire Protection District No. 1, 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 my report thereon dated September 27, 2021.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions 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.

*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, detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Commissioners  
Lincoln Parish Fire Protection District No. 1  
Ruston, Louisiana

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Lincoln Parish Fire Protection District No. 1's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the use of management of the Lincoln Parish Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY (APAC)  
Certified Public Accountant

  
September 27, 2021

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Board of Commissioners  
 Lincoln Parish Fire Protection District No. 1  
 Ruston, Louisiana

I have audited the financial statements of the Lincoln Parish Fire Protection District No. 1 (the District) as of and for the year ended December 31, 2020, and have issued my report thereon dated September 27, 2021. 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. My audit of the financial statements as of December 31, 2020, resulted in an unqualified opinion.

**SECTION I - Summary of Auditor's Results**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes X no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X no

B. Federal Awards

Material Weakness Identified \_\_\_ yes X no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_\_\_ Qualified \_\_\_\_\_

Disclaimer \_\_\_\_\_ Adverse \_\_\_\_\_

Are their findings required to be reported in accordance with the Uniform  
 Guidance (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)

CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A



LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**SECTION II - Financial Statement Findings**

No matters were reported.

**SECTION III - Federal Award Findings and Questioned Costs**

No matters were reported.

LINCOLN PARISH FIRE PROTECTION DISTRICT NO. 1  
RUSTON, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

19-1 Louisiana Local Government Budget Act Violation

Condition:

During the year, the Fire District purchased two fire trucks through state contract from the equipment reserve fund. The total cost was \$706,298. This purchase was not included in the original budget, and the budget was not amended to include this purchase.

Criteria:

According to Louisiana Local Government Budget Act, any expenditure that arises during the year that would cause a greater than 5% variance in budgeted expenditures in any fund with anticipated revenue or expenditure greater than \$500,000 requires the chief executive or administrative officer to notify the governing authority in writing resulting in a budget amendment to correct the variance.

Effect:

Not amending the budget for the purchase of 2 fire trucks puts the entity in violation of the Louisiana Local Government Budget Act.

Recommendation:

I recommend that the Board and management review all current and future purchases to determine whether or not a budget amendment is needed.

Response:

At our July 2018 Board meeting, authorization was granted to purchase the trucks on state contract using funds from the general fund if adequate funding would remain for operation of the department. Our balance at the time would allow for both the purchase and operation. The District is in compliance with the Louisiana Bid Law and in compliance with the intent and purpose of the equipment reserve fund. In the future, we will propose a budget amendment to include any expenditure that will cause greater than 5% variance in the original budgeted expenditures.

Management Letter Comments

There were no findings for this category.