

Fire Protection District No. 3  
Beauregard Parish Police Jury  
State of Louisiana

Annual Financial Statements  
With Independent Auditor's Report

December 31, 2020

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# Windham & Reed, L.L.C.

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners  
Fire Protection District No. 3  
Parish of Beauregard  
State of Louisiana

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

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Fire Protection District No. 3 of the Parish of Beauregard, Louisiana as of December 31, 2020, and the respective changes in financial position thereof 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 management's discussion and analysis, and budgetary comparison information, on page 20 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fire Protection District No. 3 of the Parish of Beauregard, Louisiana's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Members of the Board of Commissioners  
Fire Protection District No. 3  
Parish of Beauregard  
State of Louisiana  
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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2021, on our consideration of Fire Protection District No. 3 of the Parish of Beauregard, Louisiana's internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fire Protection District No. 3 of the Parish of Beauregard, Louisiana's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "John M. Windham, CPA". The signature is written in a cursive style.

DeRidder, Louisiana  
June 1, 2021

## BASIC FINANCIAL STATEMENTS

Statement of Net Position  
December 31, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 209,483
Ad valorem tax receivable	266,631
Capital assets not being depreciated	25,303
Capital assets being depreciated - net	<u>1,130,546</u>
 Total assets	 <u><u>\$ 1,631,963</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 10,800
Payroll taxes payable	342
Pension payable - ad valorem tax	9,573
Unclaimed property payable	3,517
Accrued interest payable	5,946
Long-term liabilities:	
Due within one year	42,924
Due in more than one year	<u>592,912</u>
 Total liabilities	 <u><u>\$ 666,014</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 520,013
Unrestricted	<u>445,936</u>
 Total net position	 <u><u>\$ 965,949</u></u>
 Total liabilities and net position	 <u><u>\$ 1,631,963</u></u>

The accompanying notes are an integral part of this statement.

Statement of Activities  
For the Year Ended December 31, 2020

Program Activities	<u>Expenses</u>	<u>Program Revenues Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
Governmental activities:			
Public safety	\$ 327,483	\$ -	\$ (327,483)
General revenues:			
Taxes:			
Ad valorem taxes			\$ 254,613
Insurance premium tax			17,088
Investment earnings			735
Insurance proceeds			60,229
Total general revenues			<u>\$ 332,665</u>
Change in net position			\$ 5,182
Net position at beginning of year			<u>960,767</u>
Net position at end of year			<u><u>\$ 965,949</u></u>

The accompanying notes are an integral part of this statement.



Balance Sheet  
 Governmental Funds  
 December 31, 2020

	<u>Major Fund</u>
	<u>General Fund</u>
ASSETS	
Assets:	
Cash and cash equivalents	\$ 209,483
Ad valorem tax receivable	266,631
	<hr/>
Total assets	\$ 476,114
	<hr/> <hr/>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 10,800
Payroll taxes payable	342
Pension payable - ad valorem tax	9,573
Unclaimed property payable	3,517
	<hr/>
Total liabilities	\$ 24,232
	<hr/>
Fund Balances:	
Unassigned	\$ 451,882
	<hr/>
Total liabilities and fund balances	\$ 476,114
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet  
to Statement of Net Position  
December 31, 2020

Total fund balance - total governmental funds		\$ 451,882
Amounts reported for governmental activities in the statement of net position are different because:		
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(5,946)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.		1,155,849
Long-term liabilities including capital leases payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Due within one year	\$ (42,924)	
Due in more than one year	<u>(592,912)</u>	<u>(635,836)</u>
Net position of governmental activities		<u><u>\$ 965,949</u></u>

The accompanying notes are an integral part of this statement.

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

	<u>Major Fund</u>
	<u>General Fund</u>
Revenues	
Taxes:	
Ad valorem	\$ 254,613
Insurance premium tax	17,088
Investment income	735
Total revenues	<u>\$ 272,436</u>
Expenditures	
Current operating:	
Public safety	\$ 178,997
Capital outlay	41,689
Debt service:	
Principal payment	41,372
Interest expense	25,404
Total expenditures	<u>\$ 287,462</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (15,026)</u>
Other financing sources:	
Insurance proceeds	<u>\$ 60,229</u>
Net change in fund balance	\$ 45,203
Fund balances at beginning of year	<u>406,679</u>
Fund balances at end of year	<u><u>\$ 451,882</u></u>

The accompanying notes are an integral part of this statement.

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	\$ 45,203
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	41,689
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(123,402)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of capital lease repayments.	41,372
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the change in accrued interest from prior year.	<u>320</u>
Change in net position of governmental activities	<u><u>\$ 5,182</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

## Fire Protection District No. 3

### Notes to the Financial Statements As of and for the Year Ended December 31, 2020

#### INTRODUCTION

Fire Protection District No. 3, of the Parish of Beauregard, Louisiana was established through the adoption of a resolution, Ordinance No. 5-78, dated May 9, 1978, by the Beauregard Parish Police Jury, State of Louisiana. Fire Protection District No. 3A, of the Parish of Beauregard, Louisiana was separated from Fire Protection District No. 3, of the Parish of Beauregard, Louisiana by a resolution of the Beauregard Parish Police Jury, State of Louisiana on April 11, 1989. The two districts were then merged on May 11, 2004 by Ordinance 01-2004 of the Beauregard Parish Police Jury, State of Louisiana. The District provides fire protection and safety for Wards Seven and Eight of Beauregard Parish, Louisiana. A board of five commissioners appointed by the Beauregard Parish Police Jury, State of Louisiana, governs the District and are not compensated for their services. Two contracted individuals and one employee handle the administrative and clerical duties of the District and the rest of the District are volunteers. The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Government Units*.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Fire Protection District No. 3, of the Parish of Beauregard, Louisiana is considered a component unit of the Beauregard Parish Police Jury, State of Louisiana. As a component unit, the accompanying financial statements are included within the reporting of the primary government, whether blended into those financial statements or separately reported as discrete component units.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the funds financial statements.

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Fire Protection District No. 3

Notes to the Financial Statements (Continued)

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

The District reports the following major governmental fund:

The General Fund is the District’s primary operating fund. It accounts for all financial resources, except for those required to be accounted for in another fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes.

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

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

The District has not established a policy for use of its unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

**C. Deposits and Investments**

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

**D. Receivables and Payables**

The District levies taxes on real and business personal property located within the boundaries of the District. Property taxes are levied by the District on property values assessed by the Beauregard Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Beauregard Parish Sheriff and Ex-Officio Tax Collector bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

Property Tax Calendar	
Assessment date	January 1, 2020
Levy date	June 30, 2020
Tax bills mailed	October 15, 2020
Total taxes are due	December 31, 2020
Penalties & interest due	January 31, 2021
Lien date	January 31, 2021
Tax sale	May 15, 2021

Property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected and remitted by the local sheriff, if taxes are not paid, a sheriff’s sale is held and the property is sold to satisfy the taxes due on that property. Due to this, the majority, if not all property taxes are collected, therefore no allowance account for uncollectibles has been established.

Fire Protection District No. 3

Notes to the Financial Statements (Continued)

For the year ended December 31, 2020, taxes of 23.40 mills were levied on property with an assessed valuation totaling \$11,394,472, and were dedicated as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Taxes due for:			
General maintenance	23.40	23.40	December 31, 2026

The following are the principal taxpayers and related property tax revenue for the District:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for District</u>
Beauregard Electric Co-op	Electricity	\$ 1,080,932	9.49%	\$ 25,294
Crosby Land & Resources, L.L.C.	Timber	804,918	7.06%	18,835
Total		<u>\$ 1,885,850</u>	<u>16.55%</u>	<u>\$ 44,129</u>

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

According to GASB 34 Fire Protection District No. 3, of the Parish of Beauregard, Louisiana was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements	20-40 years
Buildings	40-50 years
Furniture and fixtures	5-15 years
Vehicles	5-20 years
Machinery and equipment	5-20 years

**F. Compensated Absences**

The District does not allow and has no written policy relating to compensated absences.

**G. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position.



Notes to the Financial Statements (Continued)

The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**H. Fund Balances**

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

**I. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items as of December 31, 2020.

**J. Estimates**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*BUDGET INFORMATION* The District uses the following budget practices:

1. The secretary prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
4. All budgetary appropriations lapse at the end of each fiscal year
5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Commissioners. Such amendments were not material in relation to the original appropriations.

*EXCESS OF EXPENDITURES OVER APPROPRIATIONS* The following individual fund had actual expenditures over budgeted appropriations for the year ended December 31, 2020.

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General Fund	\$ 247,291	\$ 285,885	\$ 287,462	\$ (1,577)

Fire Protection District No. 3

Notes to the Financial Statements (Continued)

**3. CASH AND CASH EQUIVALENTS**

At December 31, 2020, the District had cash and cash equivalents (book balances) totaling \$209,483 as follows:

Time deposits	\$ 115,590
NOW account	92,193
Petty cash	<u>1,700</u>
Total	<u>\$ 209,483</u>

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

At December 31, 2020 the District had \$208,747 in deposits (collected bank balances). These deposits are secured from risk by \$208,747 federal deposit insurance.

**4. RECEIVABLES**

The receivables of \$266,631 at December 31, 2020, are as follows:

<u>Class of receivable</u>	<u>General Fund</u>
Taxes:	
Ad valorem	<u>\$ 266,631</u>

Fire Protection District No. 3

Notes to the Financial Statements (Continued)

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2020, for the District is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 25,303	\$ -	\$ -	\$ 25,303
Capital assets being depreciated				
Buildings	\$ 377,016	\$ 2,890	\$ -	\$ 379,906
Improvements	22,595	-	-	22,595
Machinery and equipment	649,598	18,876	-	668,474
Furniture and fixtures	2,669	-	-	2,669
Vehicles	1,394,167	19,925	-	1,414,092
Total capital assets being depreciated	\$ 2,446,045	\$ 41,691	\$ -	\$ 2,487,736
Less accumulated depreciation for:				
Buildings	\$ 140,055	\$ 11,865	\$ -	\$ 151,920
Improvements	4,049	1,050	-	5,099
Machinery and equipment	527,685	40,483	-	568,168
Furniture and fixtures	2,669	-	-	2,669
Vehicles	559,330	70,004	-	629,334
Total accumulated depreciation	\$ 1,233,788	\$ 123,402	\$ -	\$ 1,357,190
Total capital assets being depreciated, net	\$ 1,212,257	\$ (81,711)	\$ -	\$ 1,130,546

Depreciation expense of \$123,402 for the year ended December 31, 2020, was charged to the following governmental functions:

Public safety	\$ 123,402
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**6. ACCOUNTS AND OTHER PAYABLES**

The payables of \$30,178 at December 31, 2020 are as follows:

	General Fund
Payroll taxes	\$ 342
Accounts	10,800
Pension - Ad Valorem Tax	9,573
Unclaimed property payable	3,517
Accrued interest	5,946
Total	\$ 30,178

Fire Protection District No. 3

Notes to the Financial Statements (Concluded)

7. LONG-TERM OBLIGATIONS

The following is a summary of the long-term debt transactions of the District for the year ended December 31, 2020:

	Capital Lease Two Fire Trucks
Capital lease payable, January 1, 2020	\$ 677,207
Additions	-
Principal payments	<u>(41,371)</u>
Capital lease payable, December 31, 2020	<u>\$ 635,836</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2020:

	Capital Lease Two Fire Trucks
Current portion	\$ 42,924
Long-term portion	<u>592,912</u>
Total	<u>\$ 635,836</u>

Capital lease payable at December 31, 2020 is comprised of the following individual issue:

Capital lease – Two Fire Trucks: \$755,517 Capital Lease, dated October 2, 2017 due in annual installments of \$66,776 beginning October 2, 2018 through October 2, 2032; interest at 3.25%.	<u>\$635,836</u>
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The annual requirements to amortize all debt outstanding as of December 31, 2020, including interest payments of \$165,473 are as follows:

Year Ending	Capital Lease Two Fire Trucks		Total
	Principal	Interest	
2021	\$ 42,924	\$ 23,852	\$ 66,776
2022	44,534	22,242	66,776
2023	46,204	20,572	66,776
2024	47,938	18,838	66,776
2025	49,736	17,040	66,776
2026-2030	278,105	55,773	333,878
2031-2032	<u>126,395</u>	<u>7,156</u>	<u>133,551</u>
Totals	<u>\$ 635,836</u>	<u>\$ 165,473</u>	<u>\$ 801,309</u>

REQUIRED SUPPLEMENTAL INFORMATION

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 246,000	\$ 254,610	\$ 254,613	\$ 3
Insurance premium tax	16,600	17,090	17,088	(2)
Investment income	930	735	735	-
Total revenues	<u>\$ 263,530</u>	<u>\$ 272,435</u>	<u>\$ 272,436</u>	<u>\$ 1</u>
Expenditures				
Current operating:				
Public safety	\$ 176,015	\$ 178,810	\$ 178,997	\$ (187)
Capital outlay	4,500	40,300	41,689	(1,389)
Debt service:				
Principal payment	39,876	41,370	41,372	(2)
Interest expense	26,900	25,405	25,404	1
Total expenditures	<u>\$ 247,291</u>	<u>\$ 285,885</u>	<u>\$ 287,462</u>	<u>\$ (1,577)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 16,239</u>	<u>\$ (13,450)</u>	<u>\$ (15,026)</u>	<u>\$ (1,576)</u>
Other financing sources:				
Insurance proceeds	<u>\$ -</u>	<u>\$ 60,230</u>	<u>\$ 60,229</u>	<u>\$ (1)</u>
Net change in fund balance	\$ 16,239	\$ 46,780	\$ 45,203	\$ (1,577)
Fund balances at beginning of year	<u>414,368</u>	<u>406,679</u>	<u>406,679</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 430,607</u></u>	<u><u>\$ 453,459</u></u>	<u><u>\$ 451,882</u></u>	<u><u>\$ (1,577)</u></u>

OTHER SUPPLEMENTAL INFORMATION

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

Agency Head Name - L.D. Spears

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

There was no compensation, benefits or other payments to agency head.



## OTHER REPORTS

Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2020

Finding – Financial Statement Audit

Audit Finding No. 2019-1

Ethics Requirement Not Met

Condition: Not all of the board members of the District met the one hour requirement training on the Code of Governmental Ethics.

Criteria: As of January 1, 2012 all public employees are required by R.S. 42:1170 to complete one hour per year training on the Code of Governmental Ethics.

Cause and Condition: This was an oversight by the board members that did not get the one hour ethics course completed during the year, and a lack of monitoring contributed to the oversight.

Effect of Condition: Violation of R.S. 42:1170.

Recommendation: We recommend that all board members of the District take the required one hour ethics training each year and that the Clerk monitor the board members' compliance.

Date of Initial Occurrence - December 31, 2019

Corrective Action Taken - No

Schedule of Current Year Audit Findings and Management’s Response  
For the Year Ended December 31, 2020

Finding – Financial Statement Audit

Audit Finding No. 2020-1

Bank deposits not being made in a timely manner

Condition: Bank deposits are not being made daily. Best Practices and State Agreed Upon Procedures recommend that deposits be made daily unless certain exceptions are met. In some instances receipts were held for a month before being deposited.

Criteria: According to Best Practices and State Agreed Upon Procedures daily bank deposits should be made for all collections over one hundred dollars.

Cause and Condition: The bookkeeper has other responsibilities and the bank deposits seem to just get put off until a later date.

Effect of Condition: Bank deposits not made could lend themselves to misappropriations if not timely made to the bank.

Recommendation: I recommend that bank deposits be made daily when collections are over one hundred dollars. Also, the bookkeeper should be monitored by management.

Audit Finding No. 2020-2

Ethics Requirement Not Met

Condition: Not all of the board members of the District met the one hour requirement training on the Code of Governmental Ethics.

Criteria: As of January 1, 2012 all public employees are required by R.S. 42:1170 to complete one hour per year training on the Code of Governmental Ethics.

Cause and Condition: This was an oversight by the board members that did not get the one hour ethics course completed during the year, and a lack of monitoring contributed to the oversight.

Effect of Condition: Violation of R.S. 42:1170.

Recommendation: We recommend that all board members of the District take the required one hour ethics training each year and that the Clerk monitor the board members’ compliance.



Beaugard Parish Fire District # 3  
 Mailing Address: P.O. Box 340 Dry Creek, LA. 70637  
 Billing Address: P.O. Box 92 DeRidder, LA. 70634  
 Physical Address: 5691 Hwy. 26 DeRidder, LA. 70634  
 District Phone: 337-401-4449 District Fax 1-866-611-9501

June 22, 2021

Attn: Michael "Mike" Waguespack, CPA  
 Louisiana Legislative Order  
 1600 North Third Street  
 P O Box 94397  
 Baton Rouge LA 70804-9397

RE: Audit Findings for Fiscal Year 2020

Dear Mr. Waguespack,

In regards to the Audit Findings for Fire Protection District No. 3, our responses are as follows:

Audit Finding No. 2020-1 – Bank Deposits not being done in a timely manner:

Bank deposits were not being made due to an overabundance of work brought on by Hurricane Laura in regards to my full-time job as Public Works Administrative Assistant for the Police Jury. In the future, Best Practices and State Agreed Upon Procedures will be followed and deposits will be made on the day received in the mail.

Audit Finding No. 2020-2 – Ethics Requirement not met:

Due to family issues, Covid, and other extenuating circumstances, not all members completed their Ethics Training. Those members that were not assigned to the board until later in the year were not aware of the training. In the future, the training will be provided at the training facility of the District and the Chief will ensure that all certificates are received for the Chiefs and the Board members.



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If you should have any questions, or need additional information, please do not hesitate to call.

Respectfully,

Tammy Wilson  
Secretary

# Windham & Reed, L.L.C.

*Certified Public Accountants*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA  
Charles M. Reed, Jr., CPA

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*

Members of the Board of Commissioners  
Fire Protection District No. 3  
Parish of Beauregard  
State of Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Fire Protection District No. 3 of the Parish of Beauregard, Louisiana as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Fire Protection District No. 3 of the Parish of Beauregard, Louisiana's basic financial statements, and have issued our report thereon dated June 1, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fire Protection District No. 3, of the Parish of Beauregard, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fire Protection District No. 3 of the Parish of Beauregard, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Fire Protection District No. 3 of the Parish of Beauregard, Louisiana's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of current year audit findings and management's response as item Audit Finding No. 2020-1 that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fire Protection District No. 3, of the Parish of Beauregard, Louisiana’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year audit findings and management’s response as Audit Finding No. 2020-2.

**Fire Protection District No. 3, of the Parish of Beauregard, Louisiana’s Response to Findings**

Fire Protection District No. 3, of the Parish of Beauregard, Louisiana’s response to the findings identified in our audit is described in the accompanying schedule of current year audit findings and management’s response. Fire Protection District No. 3, of the Parish of Beauregard, Louisiana’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DeRidder, Louisiana  
June 1, 2021