

ST. LANDRY PARISH FIRE PROTECTION
DISTRICT NO. 1

FINANCIAL REPORT

DECEMBER 31, 2020



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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
St. Landry Parish Fire Protection District No. 1
Krotz Springs, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of St. Landry 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 Fire 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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.

Supplementary and Other Information

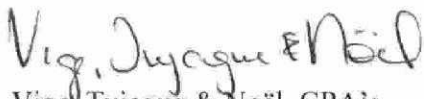
Our audit was conducted for the purpose of forming an opinion on the financial statements of the St. Landry Parish Fire Protection District No. 1. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the 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 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 our opinion, the schedule of

compensation, benefits, and other payments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2021, on our consideration of the St. Landry Parish Fire Protection District No. 1'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 St. Landry Parish Fire Protection District No. 1's internal control over financial reporting and compliance.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
June 2, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS
(GWFS)

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1
Statement of Net Position
December 31, 2020

ASSETS	
Cash and equivalents	\$ 2,464,798
Property tax receivable	1,146,215
Revenue sharing receivable	13,567
Other receivable	7,709
Prepaid expenses	32,400
Capital assets	
Non-depreciable	74,000
Depreciable, net of accumulated depreciation	1,133,249
Total assets	<u>4,871,938</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>303,340</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	<u>33,796</u>
Total current liabilities	<u>33,796</u>
Noncurrent Liabilities:	
Net pension liability	<u>1,099,281</u>
Total noncurrent liabilities	<u>1,099,281</u>
Total liabilities	<u>1,133,077</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>71,334</u>
Net Position:	
Investments in capital, net of related debt	1,133,249
Unrestricted	<u>2,837,618</u>
Total net position	<u>\$ 3,970,867</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Statement of Activities

For the Year Ended December 31, 2020

Activities	Expenses	Program Revenues		Net (Expense)
		Fees, Fines, and Charges for Services	Capital and Operating Grants	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
General government				
Public safety	\$ 1,184,385	\$ -	\$ -	\$ (1,184,385)
Total governmental activities	\$ 1,184,385	\$ -	\$ -	(1,184,385)

General revenues:

Taxes

Property taxes	1,145,495
Revenue sharing	13,566
Fire insurance tax	7,793
State supplemental pay	42,000
Pension subsidy	36,996
Nonemployer pension contributions	44,434
Interest earnings	10,871
Dividend from LWCC	20,158
Total general revenues	1,321,313

Change in net position 136,928

Net Position - December 31, 2019 3,833,939

Net Position - December 31, 2020 \$ 3,970,867

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Balance Sheet
 Governmental Fund
 December 31, 2020

ASSETS

Cash and cash equivalents	\$2,464,798
Property taxes receivable, net	1,146,215
Revenue sharing receivable	13,567
Prepaid expense	11,756
Other receivable	<u>7,709</u>
 Total assets	 <u>\$3,644,045</u>

LIABILITIES AND FUND BALANCES

Deferred inflows of resources:	
Unavailable revenues - property taxes	\$ 38,902
Total deferred inflows of resources	<u>38,902</u>
 Liabilities:	
Accounts payable	1,100
Accrued liabilities	23,721
Retirement payable	<u>8,975</u>
 Total liabilities	 <u>33,796</u>
 Fund balances:	
Unassigned	<u>3,571,347</u>
 Total fund balances	 <u>3,571,347</u>
 Total liabilities and fund balances	 <u>\$3,644,045</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2020

Total fund balance for governmental fund at December 31, 2020	\$ 3,571,347
Total net assets reported for governmental activities in the statement of net position is different because:	
The statement of net position reports receivables at their net value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.	
Property tax	38,902
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Cost of capital assets at December 31, 2020	\$2,701,146
Less: Accumulated depreciation	<u>(1,493,897)</u> 1,207,249
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds	
	(867,275)
Prepaid insurance	<u>20,644</u>
Total net position of governmental activities at December 31, 2020	<u>\$ 3,970,867</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

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

Revenues:	
Taxes:	
Ad valorem	\$ 1,134,797
Intergovernmental:	
State revenue sharing	13,566
Fire insurance rebate	7,793
State supplemental pay	42,000
Pension subsidy	36,996
Interest earnings	10,871
Dividend from LWCC	<u>20,158</u>
 Total Revenues	 <u>1,266,181</u>
Expenditures:	
Current - public safety	
Board per diem	4,320
Salaries	424,545
Benefits	279,603
Equipment costs	92,794
Occupancy costs	25,935
Insurances	71,240
Pension deduction	36,159
Office and administration	32,685
Rescue runs, standby and volunteer	8,025
Capital outlay	<u>12,793</u>
Total Expenditures	<u>988,099</u>
Net change in fund balance	278,082
Fund balance, beginning	<u>3,293,265</u>
Fund balance, ending	<u>\$ 3,571,347</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1
 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

Total net changes in fund balance at December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 278,082
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.		
Property tax		10,698
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 12,793	
Depreciation expense for the year ended December 31, 2020	<u>(90,860)</u>	(78,067)
Loss on disposal of capital assets		(20,563)
Net effect of pension liability recognition		(43,111)
Difference in prepaid insurance between modified accrual basis and accrual basis		<u>(10,111)</u>
Total changes in net position at December 31, 2020 per Statement of Activities		<u>\$ 136,928</u>

The accompanying notes are an integral part of the basic financial statements.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

INTRODUCTION

The entity being reported on is the St. Landry Parish Fire Protection District No. 1, which is a component unit of the St. Landry Parish Government. The financial report includes all funds over which the District exercises oversight responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The District was created by the St. Landry Parish Police Jury as authorized by Louisiana Revised Statute 40:1496. The District is governed by a Board of Commissioners, which consists of five commissioners. Two commissioners are appointed by the parish governing authority, two by the governing body of the municipal corporation in the District, and the fifth is selected by the other four members and serves as chairman.

The District was established for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control to the property within the District.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-wide and Fund Financial Statements

The government financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the St. Landry Parish Fire Protection District No. 1. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to 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.

The St. Landry Parish Fire Protection District No. 1 reports the following governmental fund:

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

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

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

C. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the St. Landry Parish Fire Protection District No. 1's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. Investments are reported at fair value.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Note to Financial Statements

D. Receivables and Payables

The District's property tax is levied each November 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on November 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The millage assessed by the District in 2020 was 21.10 mills.

Uncollectible amounts due for property tax receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible accounts totaled \$4,312 at December 31, 2020.

Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and accordingly, have not been recorded as revenue.

There were no interfund receivables/payables at December 31, 2020.

E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column 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 St. Landry Parish Fire Protection District No. 1 capitalizes all capital assets.

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. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

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>
Land improvements	20 years
Buildings and building improvements	15-60 years
Furniture and fixtures	5-10 years
Equipment and fire trucks	5-60 years

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

E. Capital Assets - Continued

Interest costs incurred on fixed assets, if any, are not capitalized.

F. Compensated Absences

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted: or “invested in capital assets, net of related debt.”

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

H. Equity Classifications - Continued

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. 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 fire district's board – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the fire district's "intent" to be used for specific purposes but are neither restricted nor committed. The fire district's board 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 an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

I. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB required a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information

The District adopts an annual budget for the General Fund. The annual budget is prepared on the GAAP basis of accounting. The Board adopts its budget prior to the beginning of the fiscal year. Any revisions that alter total revenues or expenditures must be approved by the Board. Prior to year-end, the Board adopts an amended budget approving such additional revenues or expenditures. Any budgetary appropriations lapse at the end of each fiscal year.

The District adopted a budget for calendar year 2020.

The St. Landry Parish Fire Protection District No. 1 did not have actual expenditures over budgeted appropriations or actual revenues under budgeted appropriations for the year ended December 31, 2020 by greater than 5%.

The Fire District did not have a deficit fund balance at December 31, 2020.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

3. CASH AND INVESTMENTS

At December 31, 2020, the Fire District had cash, interest-bearing deposits, and investments as follows:

	<u>Bank</u> <u>Balance</u>	<u>Book</u> <u>Balance</u>
Demand deposits		
Non-interest-bearing- St Landry Bank	\$2,071,424	\$2,067,919
Interest-bearing deposits- St. Landry Bank	365,642	365,642
LAMP	30,737	30,737

Under state law, these deposits in financial institutions must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, be equal to the amount on deposit with the bank. At December 31, 2020, deposits in financial institutions were secured by federal deposit insurance in the amount of \$250,000 for interest bearing accounts and \$250,000 for non-interest bearing accounts, and the market value of securities pledged in the District's name in the amount of \$194,916. There was a shortage of security pledges in the amount of \$1,742,150.

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent had failed to pay deposited funds upon demand.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a nonprofit corporation organized under the laws of the state of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

3. CASH AND INVESTMENTS - (Continued)

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the United States Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value.

The fair value of the District's investment in LAMP is the same as the value of the pooled shares. Normally, investments are required to be reported at fair value. For purposes of determining participants' shares, investments are valued at amortized cost. Investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

4. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2020 are as follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Capital assets not being depreciated:				
Land	\$ 74,000	\$ -	\$ -	\$ 74,000
Other capital assets:				
Land improvements	2,313	-	-	2,313
Buildings	844,977	-	-	844,977
Equipment	1,822,592	9,888	79,768	1,752,712
Furniture and fixtures	19,994	2,905	2,620	20,279
Buildings, land and improvements	6,865	-	-	6,865
Totals	<u>2,770,741</u>	<u>12,793</u>	<u>82,388</u>	<u>2,701,146</u>
Less accumulated depreciation				
Land improvements	2,018	116	-	2,134
Buildings	345,842	19,404	-	365,246
Equipment	1,094,371	70,649	59,205	1,105,815
Furniture and fixtures	19,485	233	2,620	17,098
Buildings, land and improvements	3,146	458	-	3,604
Total accumulated depreciation	<u>1,464,862</u>	<u>90,860</u>	<u>61,825</u>	<u>1,493,897</u>
Net capital assets	<u>\$ 1,305,879</u>	<u>\$ (78,067)</u>	<u>\$ 20,563</u>	<u>\$ 1,207,249</u>

5. ON-BEHALF PAYMENTS

The State of Louisiana paid the District's firefighters supplemental pay of \$42,000. These amounts are included in the accompanying financial statements as revenues and expenditures.

6. COMPENSATION OF BOARD MEMBERS

Members of the District's Board of Commissioners receive a per diem of \$80 per meeting attended. Total Board per diem paid for the year ended December 31, 2020 is as follows:

Donald Pitre	\$ 640
James A Cox	880
Jeff Morrow	960
Juanita W Reed	880
Shaun Dupre	960
Total	<u>\$ 4,320</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

7. RISK MANAGEMENT

The District is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the current fiscal year and the two preceding fiscal years. Insurance coverage appears adequate for the fiscal year ended December 31, 2020.

8. EVALUATION OF SUBSEQUENT EVENTS

The District has evaluated subsequent events through June 2, 2021, the date which the financial statements were available to be issued.

9. ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal year 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments would include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

9. ACCOUNTING PRONOUNCEMENTS - Continued

requirements of this Statement are effective fiscal year 2019. The Financial Statements were not effected by this Statement.

10. PENSION PLAN

Substantially all of the employees (15) of the St. Landry Parish Fire Protection District No. 1 are members of the Firefighters Retirement System.

Firefighters' Retirement System

The Firefighters' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Members in the System consist of full-time firefighters, eligible employees of the retirement system, or any person in a position as defined in the municipal fire and police civil service system that earns at least \$375 per month, excluding state supplemental pay, and is employed by a fire department of any municipality, parish, or fire district of the state of Louisiana, except for Orleans Parish and the City of Baton Rouge.

No person who has attained age 50 or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

10. PENSION PLAN - Continued

Retirement Benefits

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 of service, they forfeit the right to receive the portion of their accumulated plan benefits in the form of a joint and survivor annuity.

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan

After completing 20 years of credible service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

10. PENSION PLAN - Continued

Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 amounts of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as a DROP account.

Cost of Living Adjustment (COLAs)

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A + B)," where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Funding Policy - State statute requires covered employees to contribute 10.00 percent of their salaries to the system. The District is required to contribute 27.75 percent from January through June and 32.25% from July through December, of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contribution to the System for the years ending December 31, 2020 and 2019 were \$119,939 and \$106,450, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060.

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

At December 31, 2020, the District reported a liability of \$1,099,281 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.158591%, which was a decrease of 0.001191% from its proportion measured as of June 30, 2019.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

10. PENSION PLAN - Continued

For the year ended December 31, 2020, the District recognized pension expense of \$207,484 which includes employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

Non-employer contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue. The District recognized \$44,434 of non-employer contribution revenue.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (70,332)
Changes in assumptions	106,266	-
Net difference between projected and actual earnings on pension plan investments	121,060	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,397	(1,002)
Employer contributions subsequent to measurement date	63,617	-
Total	<u>\$ 303,340</u>	<u>\$ (71,334)</u>

The District reported a total of \$63,617 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020, which will be recognized as a reduction in net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

10. PENSION PLAN - Continued

Year Ended June 30:	FRS
2020	\$ 5,058
2021	50,550
2022	52,721
2023	33,268
2024	8,020
2025	3,437
Total	<u>\$ 153,054</u>

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:

	FRS
Valuation date	June 30, 2020
Actuarial cost method	Entry age normal cost
Expected remaining service life	7 years, closed period
Investment rate of return	7.00% per annum
Inflation rate	2.50% per annum
Salary increases	Vary from 14.10% in the first two years of service to 5.20% after 25 years of service
Cost of living adjustments	Only those previously granted

The mortality rate assumptions were updated in fiscal year 2020 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation. For the June 30, 2020 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

10. PENSION PLAN - Continued

- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

The estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2020. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long term standard deviation and then reduced the assumption by the long term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2020.

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

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

10. PENSION PLAN - Continued

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

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 contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the District's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the District's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

FRS Rates	1% Decrease	Current Discount	1% Increase
NPL	\$1,587,901	\$1,099,281	\$ 691,428

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Notes to Financial Statements

10. PENSION PLAN - Continued

The components of the net pension liability of the System's employers as of June 30, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Total Pension Liability	\$4,013,692	\$3,842,953
Plan Fiduciary Net Position	<u>(2,914,411)</u>	<u>(2,842,412)</u>
Employers Net Pension Liability	<u>\$1,099,281</u>	<u>\$1,000,541</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.61%	73.96%

Retirement System Audit Report

The System issued a standalone audit report on its financial statements for the year ended June 30, 2019. Access to the audit report can be found on the Louisiana Legislative Auditor's official website, www.la.gov and the System's website, www.ffret.com.

11. PENDING LITIGATION

There is no pending litigation as of December 31, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Budgetary Basis) and Actual - General Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes:				
Ad valorem	\$ 1,080,000	\$ 1,149,414	\$ 1,134,797	\$ (14,617)
Intergovernmental:				
State revenue sharing	14,500	14,157	13,566	(591)
Fire insurance rebate	7,900	7,793	7,793	-
State supplemental pay	42,000	42,000	42,000	-
Pension subsidy	32,400	36,159	36,996	837
Interest earnings	1,700	6,955	10,871	3,916
Dividend from LWCC	-	20,158	20,158	-
Total Revenues	<u>1,178,500</u>	<u>1,276,636</u>	<u>1,266,181</u>	<u>(10,455)</u>
Expenditures:				
Current - public safety				
Board per diem	4,800	4,320	4,320	-
Salaries	417,847	429,636	424,545	5,091
Benefits	271,550	272,345	279,603	(7,258)
Equipment costs	48,175	98,350	92,794	5,556
Occupancy costs	35,500	27,500	25,935	1,565
Insurances	64,000	79,000	71,240	7,760
Pension deduction	36,159	36,159	36,159	-
Office and administration	32,860	33,165	32,685	480
Rescue runs, standby and volunteer	12,800	8,120	8,025	95
Capital outlay	150,000	13,000	12,793	207
Total Expenditures	<u>1,073,691</u>	<u>1,001,595</u>	<u>988,099</u>	<u>13,496</u>
Net change in fund balance	<u>\$ 104,809</u>	<u>\$ 275,041</u>	<u>278,082</u>	<u>\$ 3,041</u>
Fund balance, beginning			<u>3,293,265</u>	
Fund balance, ending			<u>\$ 3,571,347</u>	

See Notes to Required Supplementary Information.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2020

	Fiscal Year	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
FRS	2020	0.158591%	\$ 1,099,281	\$ 400,223	274.67%	72.61%
FRS	2019	0.159782%	\$ 1,000,541	\$ 392,651	254.48%	73.96%
FRS	2018	0.159028%	\$ 914,741	\$ 376,955	242.67%	68.16%
FRS	2017	0.157165%	\$ 900,846	\$ 369,049	244.10%	73.55%
FRS	2016	0.155444%	\$ 1,016,744	\$ 358,541	283.57%	68.15%
FRS	2015	0.162251%	\$ 875,687	\$ 344,970	253.84%	72.44%
FRS	2014	0.170915%	\$ 760,557	\$ 339,880	223.77%	76.01%

This schedule will contain ten years of historical information once such information becomes available.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. I

Schedule of Employer's Pension Contribution
For the Year Ended December 31, 2020

	Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
FRS	2020	\$ 119,939	\$ 119,939	\$ -	\$ 400,223	29.96%
FRS	2019	\$ 106,450	\$ 106,450	\$ -	\$ 392,651	27.11%
FRS	2018	\$ 99,893	\$ 99,893	\$ -	\$ 376,955	26.50%
FRS	2017	\$ 95,921	\$ 95,921	\$ -	\$ 369,049	25.99%
FRS	2016	\$ 94,108	\$ 94,108	\$ -	\$ 358,541	26.24%
FRS	2015	\$ 97,982	\$ 97,982	\$ -	\$ 344,970	28.40%
FRS	2014	\$ 97,713	\$ 97,713	\$ -	\$ 339,880	28.75%

This schedule will contain ten years of historical information once such information becomes available.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1 Budgets and Budgetary Accounting

The budget for General Fund operations is adopted by the St. Landry Parish Fire Protection District No. 1 for its appropriations with its budgetary regulations and on a basis consistent with generally accepted accounting principles.

Note 2 Pension Plans

Changes of Assumption – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

VIGE, TUJAGUE & NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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DOMINIQUE M. NOEL, C.P.A.

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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
St. Landry Parish Fire Protection District No. 1
Opelousas, 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 of St. Landry 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 St. Landry Parish Fire Protection District No. 1's basic financial statements, and have issued our report thereon dated June 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Landry Parish Fire Protection District No. 1'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 St. Landry Parish Fire Protection District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Landry Parish Fire Protection District No. 1'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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

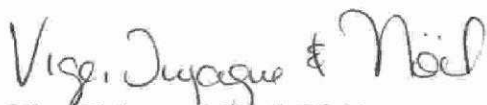
As part of obtaining reasonable assurance about whether St. Landry Parish Fire Protection District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs, as item 2020-001.

St. Landry Parish Fire Protection District No. 1's Response to Finding

St. Landry Parish Fire Protection District No. 1's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. St. Landry Parish Fire Protection District No. 1's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Vige, Tujague & Noël, CPA's

Eunice, Louisiana

June 2, 2021

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1
Schedule of Findings and Responses
Year Ended December 31, 2020

We have audited the financial statements of St. Landry Parish Fire Protection District No. 1 as of and for the year ended December 31, 2020 and have issued our report dated June 2, 2021. 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. Our audit of the financial statements as of December 31, 2020 resulted in an unmodified opinion.

Section I Summary of Auditors' Reports

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

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes None reported

Compliance

Compliance Material to Financial Statements Yes No

No separate management letter was issued.

Section II Financial Statement Findings

2020-001 – Shortage of Pledged Securities

Condition: Bank account balances at December 31, 2020 exceeded FDIC Insurance and pledged securities from St Landry Bank by \$1,742,150.

Criteria: Under state law, bank deposit 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

Cause: The Bank monitors the account balances to determine when more security pledges are necessary. There was an error in the calculation of total cash at the end of December, made by the Bank, resulting in a shortage of pledged securities.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1
Schedule of Findings and Responses
Year Ended December 31, 2020

Effect: At December 31, 2020, the District had cash in St. Landry Bank in the amount of \$2,437,066 and insurance and security pledges of \$694,916, resulting in a shortage of pledges in the amount of \$1,742,150.

Views of Responsible Officials and Planned Corrective Action: Management is aware of this inadequacy and will monitor pledged securities more closely to ensure that all deposits are secure.

Section III Internal Control and Compliance Material to Federal Awards

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1
Schedule of Prior Year Findings
Year Ended December 31, 2020

I Internal Control and Compliance Material to the Financial Statements

None

II Internal Control and Compliance Material to Federal Awards

The prior year's report did not include any federal awards.

III Management Letter

The prior year's report did not include a management letter.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2020

Agency Head Name: Charles Watson
Service Period: 12 months

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 78,386
State supplemental pay	6,000
Benefits - insurance	14,257
Benefits - retirement	25,316
Total	<u>\$ 123,959</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended December 31, 2020

Section I. Internal Control and Compliance Material to the Financial Statements

2020-001 – Shortage of Pledged Securities

Condition: Bank account balances at December 31, 2020 exceeded FDIC Insurance and pledged securities from St Landry Bank by \$1,742,150.

Views of Responsible Officials and Planned Corrective Action: Management is aware of this inadequacy and will monitor pledged securities more closely to ensure that all deposits are secure.

Section II. Internal Control and Compliance Material to Federal Awards

The District did not receive any federal awards in the current year.

Section III. Management Letter

This year's report did not include a management letter.

Responsible Party: