

**FIRE PROTECTION DISTRICT NO. 7
OF ACADIA PARISH
FINANCIAL REPORT
DECEMBER 31, 2020**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Commissioners of
Fire Protection District No. 7
of Acadia Parish
Mire, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Fire Protection District No. 7 of Acadia Parish, a component unit of Acadia 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementing, 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.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying budgetary comparison schedule and notes to the schedule on pages 20 and 22 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted management's discussion and analysis that the Government Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, conclusion, nor provide any assurance on it.

Other Matters

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. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The schedule of compensation, benefits and other payments to agency head has been subjected to the review procedures applied in the accountants' review of the basic financial statements and we are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of State Law, we have issued our report, dated June 30, 2021, on the results of our agreed-upon procedures.

A handwritten signature in black ink, reading "Bronward Locke III". The signature is written in a cursive style with a large, stylized initial 'B'.

Lafayette, Louisiana
June 30, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

STATEMENT OF NET POSITION

December 31, 2020

See Independent Accountants' Review Report

ASSETS	<u>Governmental Activities</u>
Cash	\$ 55,121
Taxes receivable	13,274
Due from sheriff	82,901
Capital assets:	
Depreciable, net	<u>420,072</u>
Total assets	<u>\$ 571,368</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Current:	
Bond payable, portion due within one year	\$ 26,000
Long-term:	
Bond payable, portion due after one year	<u>27,000</u>
Total liabilities	<u>\$ 53,000</u>
NET POSITION	
Net investment in capital assets	\$ 367,072
Unrestricted	<u>151,296</u>
Total net position	<u>\$ 518,368</u>
Total liabilities and net position	<u>\$ 571,368</u>

See Notes to Financial Statements.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2020
 See Independent Accountants' Review Report

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (expense) revenue and change in net position</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Public safety	\$ 108,433	\$ -	\$ 173,095	\$ 64,662
General revenues:				
Ad valorem taxes				\$ 96,175
Intergovernmental - Insurance rebate				13,099
Miscellaneous				350
Interest income				<u>78</u>
Total general revenues				\$ 109,702
Change in net assets				\$ 174,364
Net position, beginning				<u>344,004</u>
Net position, ending				<u>\$ 518,368</u>

See Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

BALANCE SHEET
GOVERNMENTAL FUND

December 31, 2020

See Independent Accountants' Review Report

ASSETS	<u>General Fund</u>
Cash	\$ 55,121
Taxes receivable	13,274
Due from sheriff	<u>82,901</u>
Total assets	<u>\$ 151,296</u>
FUND BALANCE	
Unassigned	<u>\$ 151,296</u>
Total fund balance	<u>\$ 151,296</u>

See Notes to Financial Statements.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2020

See Independent Accountants' Review Report

Total fund balance – governmental fund	\$ 151,296
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the fund.	
Capital assets, net	420,072
Long-term liabilities are not due and payable in the current period and are not reported in the governmental fund. All liabilities, both current and long-term, are reported in the statement of net position	
Bond payable	<u>(53,000)</u>
Net position of governmental activities	<u>\$ 518,368</u>

See Notes to Financial Statements.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

For the Year Ended December 31, 2020
See Independent Accountants' Review Report

	<u>General Fund</u>
Revenues:	
Taxes –	
Ad valorem	\$ 96,175
Intergovernmental –	
Insurance rebate	13,099
Grant revenue	173,095
Miscellaneous	350
Interest income	<u>78</u>
Total revenues	<u>\$ 282,797</u>
Expenditures:	
Current –	
Public safety:	
Supplies and maintenance	\$ 3,968
Insurance	22,027
Fuel	2,958
Accounting	2,500
Advertising	76
Miscellaneous	67
Telephone	2,234
Repairs to truck and building	16,327
Capital outlay	181,696
Debt service –	
Principal	26,000
Interest	<u>1,485</u>
Total expenditures	<u>\$ 259,338</u>
Net change in fund balance	\$ 23,459
Fund balance, beginning	<u>127,837</u>
Fund balance, ending	<u>\$ 151,296</u>

See Notes to Financial Statements.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020
See Independent Accountants' Review Report

Net change in fund balance – governmental fund	\$ 23,459
The change in net position reported for governmental activities in the statement of activities is different because:	
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	181,696
Depreciation expense	(56,791)
Repayment of bond principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	
Principal payments	<u>26,000</u>
Change in net position of governmental activities	<u>\$ 174,364</u>

See Notes to Financial Statements.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 1. Summary of Significant Accounting Policies

The financial statements of Fire Protection District No. 7 of Acadia Parish (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies of the District are described below.

Reporting entity:

As provided by Louisiana Revised Statute 40:1492, the District was created by the Acadia Parish Police Jury. The District is governed by five Commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by the Acadia Parish Police Jury. The District was created for the purpose of providing fire protection in the Mire area of Acadia Parish.

In conformance with GASB Codification Section 2100, the Fire Protection District is a component unit of the Acadia Parish Police Jury, the governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general governmental services provided by that governmental unit, and other governmental units that comprise the governmental reporting entity.

Basis of presentation:

The District's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements -

The government-wide financial statements include the statement of net position and the statement of activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in two parts – net investment in capital assets and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, and operating grants. Program revenues

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

must be directly associated with the function. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The District had FEMA grant revenues for the year ended December 31, 2020.

The District reports all direct expenses by function in the government-wide statement of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is included as a direct expense. The net cost (by function) is normally covered by general revenue (property taxes, intergovernmental revenues, investment income, etc.)

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the District's funds. The emphasis of the fund financial statements is on major governmental funds.

The District reports the following major governmental fund:

General fund – This fund is the District's only fund and it accounts for all activities of the District.

Basis of accounting:

Government-wide financial statements -

The government-wide financial statements report 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 when the related cash flows takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which they are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are recognized in the year for which they are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent that they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Cash:

Cash includes amounts in demand deposits.

Investments:

State statutes authorize the District to invest in United States bonds, treasury note or certificates and time deposits of state banks having their principal office in the state of Louisiana, or any other federally insured investment.

The District did not have any investments as of December 31, 2020.

Capital assets:

The accounting treatment over property and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements -

The District's property and equipment with useful lives of more than one year are stated at historical costs and comprehensively reported in the government-wide financial statements. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives for depreciable assets are as follows:

	<u>Years</u>
Equipment	5 - 15
Building and improvements	40

Fund financial statements -

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Deferred outflows/inflows of resources:

In addition to assets/liability, the statement of financial position will sometimes report a separate section for deferred outflows/inflows of resources. This separate financial statement element, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow/inflow of resources (expenditure) until then. The District does not currently have any items that qualify for reporting in this category.

Net position flow assumption:

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumption:

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Equity classifications:

Government-wide statements –

Equity is classified as net position and displayed in two components: (1) net investment in capital assets and (2) unrestricted net position.

Fund financial statements –

Fund balance categories are classified to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

- **Nonspendable fund balance** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- **Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed fund balance** - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned fund balance** - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- **Unassigned fund balance** - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Budgets and budgetary accounting:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget is employed as a management control device during the year that assists its users in financial activity analysis. All budget appropriations lapse at year end.

Note 2. Deposits

Custodial Credit Risk – The custodial credit risk is the risk that in the event of a bank failure, the District's deposits may result in a loss of those assets. The District's policy to ensure that there is no exposure to this risk is to require the financial institutions to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage.

At December 31, 2020, the carrying amount of the District's deposits, including demand deposit accounts and certificates of deposit, was \$55,121. Of the bank balance, \$55,121 was secured from risk by federal deposit insurance.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 3. Ad Valorem Taxes

Government-wide financial statements –

Ad valorem taxes are recognized in the year for which they are levied net of uncollectible amounts, as applicable.

Fund financial statements –

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Taxes are budgeted and the revenue is recognized in the year they are levied. The taxes are based on assessed values determined by the Tax Assessor of Acadia Parish and are collected by the Sheriff. The taxes are remitted to the District net of deductions for Pension Fund contributions.

The District authorized and levied property taxes of 25 mills during 2020. Total taxes levied, exclusive of homestead exemptions, was \$96,175 for year then ended. Due from governmental agencies in the amount of \$82,901 includes total taxes collected by the sheriff, but not remitted to or received by the District until January 2021. Remaining ad valorem taxes receivable at December 31, 2020 were \$13,274 all of which is considered collectible.

Note 4. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, being depreciated –				
Equipment	\$ 764,556	\$ 181,696	\$ -	\$ 946,252
Buildings and improvements	<u>47,273</u>	<u>-</u>	<u>-</u>	<u>47,273</u>
Total capital assets being depreciated	<u>\$ 811,829</u>	<u>\$ 181,696</u>	<u>\$ -</u>	<u>\$ 993,525</u>
Less accumulated depreciation for –				
Equipment	\$ (509,663)	\$ (55,609)	\$ -	\$ (565,272)
Building and improvements	<u>(6,999)</u>	<u>(1,182)</u>	<u>-</u>	<u>(8,181)</u>
Total accumulated depreciation	<u>\$ (516,662)</u>	<u>\$ (56,791)</u>	<u>\$ -</u>	<u>\$ (573,453)</u>
Total capital assets, net	<u>\$ 295,167</u>	<u>\$ 124,905</u>	<u>\$ -</u>	<u>\$ 420,072</u>
Depreciation was charged to function as follows:				
Governmental activities:				
Public safety				<u>\$ 56,791</u>

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 5. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. The District purchases commercial insurance to cover any claims related to these risks.

Note 6. Long-Term Debt

Certificates of Indebtedness – Series 2013

During October 2013, the District issued \$225,000 of bonds for the purpose of acquiring the necessary equipment to equip a fire station and fire truck. Bond Series 2013 has an interest rate of 2.25%, collateralized by a pledge of the excess annual revenues of the District above statutory necessary and usual charges in each of the fiscal years during which the certificates are outstanding. The Certificates are due serially to 2022. Interest expense on these bonds was \$1,485 during 2020.

Changes in the District's long-term debt for 2020 were as follows:

	<u>Balance</u> <u>12/31/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Certificates of Indebtedness – 2013	\$ <u>79,000</u>	\$ <u>-</u>	\$ <u>(26,000)</u>	\$ <u>53,000</u>	\$ <u>26,000</u>

Scheduled principal and interest repayments on long term debt are as follows:

	<u>Bonds Payable</u>		
Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	26,000	900	26,900
2022	<u>27,000</u>	<u>304</u>	<u>27,304</u>
	\$ <u>53,000</u>	\$ <u>1,204</u>	\$ <u>54,204</u>

Note 7. Coronavirus Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the District operates. It is unknown how long these conditions will last and what the complete financial effect will be to the District. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

REQUIRED SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO.7 OF ACADIA PARISH

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2020

See Independent Accountants' Review Report

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes –				
Ad valorem taxes	\$ 90,950	\$ 90,950	\$ 96,175	\$ 5,225
Intergovernmental –				
Insurance rebate	15,000	13,099	13,099	-
Grant revenue	-	-	173,095	173,095
Miscellaneous	-	-	350	350
Interest income	<u>80</u>	<u>80</u>	<u>78</u>	<u>(2)</u>
Total revenues	<u>\$ 106,030</u>	<u>\$ 104,129</u>	<u>\$ 282,797</u>	<u>\$ 178,668</u>
Expenditures:				
Current –				
Public safety:				
Supplies and maintenance	\$ 200	\$ 200	\$ 3,968	\$ (3,768)
Postage	55	55	-	55
Fire department software	520	520	-	520
Insurance	21,000	21,000	22,027	(1,027)
Fuel	3,000	3,000	2,958	42
Radio rental				
Accounting	1,500	1,500	2,500	(1,000)
Education	500	500	-	500
Advertising	-	-	76	(76)
Miscellaneous	3,000	3,000	67	2,933
Telephone	1,980	1,980	2,234	(254)
Extermination				
Inspections	2,690	2,690	-	2,690
Repairs to truck and building	12,000	12,000	16,327	(4,327)
Uniforms	1,000	1,000	-	1,000
QuickBooks Online Services	420	420	-	420
Capital Outlay	24,024	24,024	181,696	(157,672)
Debt Service –				
Principal	26,889	26,889	26,000	889
Interest	<u>597</u>	<u>597</u>	<u>1,485</u>	<u>(888)</u>
Total expenditures	<u>\$ 99,375</u>	<u>\$ 99,375</u>	<u>\$ 259,338</u>	<u>\$ (159,963)</u>

(continued)

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND – (CONTINUED)

For the Year Ended December 31, 2020

See Independent Accountants' Review Report

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive <u>(Negative)</u>
Excess of revenues over expenditures	\$ 6,655	\$ 4,754	\$ 23,459	\$ 18,705
Fund balance, beginning	<u>180,370</u>	<u>129,483</u>	<u>127,837</u>	<u>(1,646)</u>
Fund balance, ending	<u>\$ 187,025</u>	<u>\$ 134,237</u>	<u>\$ 151,296</u>	<u>\$ 17,059</u>

See Notes to Budgetary Comparison Schedule.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

NOTES TO BUDGETARY COMPARISON SCHEDULE

See Independent Accountants' Review Report

Note 1. Budgets and Budgetary Accounting

The District uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through passage of an ordinance.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year-end. The final budget presented is as amended by the Board of Commissioners.

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following fund had actual expenditures in excess of appropriations for the year ended December 31, 2020:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	<u>\$ 99,375</u>	<u>\$ 99,375</u>	<u>\$ 259,338</u>	<u>\$ (159,963)</u>

SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2020
See Independent Accountants' Review Report

There is none in the current year.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

SCHEDULE OF CURRENT YEAR FINDINGS

Year Ended December 31, 2020

Internal Control Findings:

2020-1 – Segregation of Duties

- Condition: The District does not have an adequate segregation of duties within the accounting cycle.
- Criteria: An effective system of internal control procedures requires a proper segregation of duties so that no one individual handles a transaction from its inception to its completion. In the case of the District one person is responsible for writing the checks, recording the transactions and reconciling the bank account.
- Cause: The District only has one accountant whom is a volunteer.
- Effect: Ineffective system of internal control within the administrative office.
- Recommendation: While we recognize that the District is not large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. Keeping in mind the limited number of personnel to which duties can be assigned, the District should monitor assignment of duties to assure as much segregation of duties and responsibility as possible. We also recommend that someone independent of the accounting function review the bank statement activity and reconciliations.
- Response: President and Secretary Treasurer will review bank statement and checkbook and initial off on the statements each month after review.

Compliance Findings:

#2020-2 – Public Bid Law

- Condition: During 2020, the District purchased firefighting equipment in the amount of \$169,200. The District did not advertise for bids but did obtain 3 quotes and awarded to the lowest quote.
- Criteria: Louisiana Revised Statutes 38:2211-2296 requires that purchases of material and supplies over \$30,000 must be advertised and let for contract with the lowest bidder.
- Cause: The District did not advertise for bids in accordance with public bid law.
- Effect: The District did not properly comply with state public bid law for the purchase of the equipment.
- Recommendation: The District should ensure that all purchase of material and supplies with a value of more than \$30,000 are advertised and awarded to the lowest responsible bidder. Purchase of \$10,000 or more, but less than \$30,000 shall be made by obtaining no fewer than 3 quotes by telephone, facsimile, email, or any other printable electronic form
- Response: District will comply and advertise for any open bids over \$30,000.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH
SCHEDULE OF CURRENT YEAR FINDINGS (CONTINUED)
Year Ended December 31, 2020

#2020-3 – Open Meetings Law

- Condition:** During the year the District held only one public meeting in December 2020 and did not properly post a notice of the meeting at least 24 hours before.
- Criteria:** Louisiana Revised Statutes 42:14 – 42:23 requires that meetings of a public body are required to have notice of the meeting at least 24 hours before the meeting via placement of a copy of the notice at the place of the meeting or at the body’s official office, allow for some public comment, allow for recording of the meeting by the audience, record minutes of the proceeding, and have open meetings that are observable to the public with an opportunity for public participation.
- Cause:** The District indicated that the COVID-19 concerns caused them to suspend board meetings for all meetings except the December 2020 meeting.
- Effect:** The District did not properly comply with the State’s Open Meeting Law requirements.
- Recommendation:** The District should ensure that all board meetings are held in compliance with the State’s Open Meeting Law.
- Response:** District will post all meetings with time & date on the fire department door, so that the public is aware of all meetings. Pictures will be taken of notice posted and put with board minutes.

#2020-4 – Budget Violation

- Condition:** For the year ended December 31, 2020, actual expenditures at the end of the year exceeded budgeted expenditures in the General Fund by 161%.
- Criteria:** The Louisiana Local Government Budget Act requires governments to amend their budget when actual revenues fail to meet budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more in any one fund.
- Cause:** The District failed to amend the budget for the grant revenue and capital expenditures associated with the purchase of fire-fighting equipment during the year.
- Effect:** The District did not properly amend the budget for the grant revenue and capital expenditures associated with the purchase of certain fire-fighting equipment.
- Recommendation:** The District should review the budget periodically during the year and amend as necessary to ensure compliance.
- Response:** The District will review all expenditures in June of every year to gauge where the budget is and if anything need to be addressed or adjusted.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH
SCHEDULE OF CURRENT YEAR FINDINGS (CONTINUED)
Year Ended December 31, 2020

#2020-5 – Louisiana Audit Law

Condition: The review of the District’s financial statements as of and for the year ending December 31, 2020 was required to be filed with the Legislative Auditor’s Office was not filed within six months of the fiscal year end.

Criteria: Louisiana Revised Statutes 24:513 and 24:514 establishes due dates of local auditee audit, review and compilation reports as no later than six months after the local auditee’s fiscal year end.

Cause: The original engagement was changed from a compilation to a review to comply with the revenue threshold set for a review engagement in accordance with state audit law. The additional information required to complete the review was not received in time to allow completion by the six month due date.

Effect: The District did not file the required reviewed financial statements by the statutory due date.

Recommendation: The District should be aware of the six month deadline and be cognizant of the type of engagement that will be required. Turnaround times for different levels of service vary from compilation, review or audit.

Response: The District will have all items to the CPA by March of the following year to insure the deadline is met.

FIRE PROTECTION DISTRICT NO. 7 OF ACADIA PARISH

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2020

There were no findings in the prior year.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners of
Fire Protection District No. 7 of
Acadia Parish
Crowley, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Fire Protection District No. 7 of Acadia Parish, and the Legislative Auditor, on the District's compliance with certain laws and regulations contained in the Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose. The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

Exception noted. One expenditure was made during the year for materials and supplies exceeding \$30,000 that was not properly advertised for. There were no expenditures for public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the required list.

3. Obtain a list of all employees paid during the fiscal year

Management stated there are no employees. All personnel are on volunteer basis.

4. Report whether any employees' name appear on both list obtained in procedures 2 & 3.

No employees' name appears on both lists obtained in procedures 2 & 3.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

None of the vendors appear on both lists.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The original budget was adopted in September, 2019. Amendments to the budget were approved by the Board.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenue failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

Exception noted. We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more; however actual expenditures did exceed budgeted amounts by 5% or more.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- a. Report whether the six disbursements agree to the amount and payee in the supporting documentation

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Report whether the six disbursements are coded to the correct fund and general ledger account

All six of the selected disbursements were properly coded to the correct fund and general ledger account.

- c. Report whether the six disbursements were approved in accordance with management's policies and procedures

All six of the selected disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11-42:28 (the open meetings law); and report whether there are any exceptions.

Exception noted. The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office. Management has asserted that such documents were not properly posted.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the bank deposits in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected all original bank statements for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

Management provided that there are no employees. All personnel are on volunteer basis.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The original engagement was changed from a compilation to a review to comply with the revenue threshold set for a review engagement in accordance with state audit law. The additional information required to complete the review was not received in time to allow completion by the six month due date.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A.(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Per Management the agency did not enter into any contracts that utilized state funds as defined in R.S. 39:71.1 A.(2) and that were subject to the public bid law.

Prior-year comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

There were no prior-year suggestions, recommendations, and/or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script, reading "Bronson Locke III".

Lafayette, Louisiana
June 30, 2021

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

6-9-2021 (Date Transmitted)

Broussard Poche, LLP _____ (CPA Firm Name)
PO Box 61400 _____ (CPA Firm Address)
Lafayette, LA 70506-1400 _____ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

N/A Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [] No [X]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

N/A Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [X] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [X] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

N/A
Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

N/A
Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [X] No []

The previous responses have been made to the best of our belief and knowledge.

Charles Jones

Secretary 6-9-21 Date

Charles Jones

Treasurer 6-9-21 Date

Jacobus Pijp

President 6-9-21 Date