

ST. LANDRY PARISH FIRE PROTECTION
DISTRICT NO. III

FINANCIAL REPORT

DECEMBER 31, 2020

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS	
Balance Sheet - governmental fund	9
Reconciliation of the governmental funds balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance - governmental fund	11
Reconciliation of the statement of revenues, expenditures and changes in fund balance of governmental fund to the statement of activities	12
Notes to basic financial statements	13 - 31
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule - general fund	33
Budgetary comparison schedule - general fund - expenditures	34
Schedule of employer's proportionate share of net pension liability	35
Schedule of employer's pension contributions	36
Notes to required supplementary information	37
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 <i>GOVERNMENT AUDITING STANDARDS</i>	38 - 39
Schedule of findings and responses	40 - 41
Schedule of prior year findings	42
Schedule of per diems	43
OTHER SUPPLEMENTARY INFORMATION	
Schedule of compensation, benefits and other payments to agency head	44
Management's corrective action plan	45

VIGE, TUJAGUE  NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
St. Landry Parish Fire Protection District No. III
Opelousas, 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. III 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. III, 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.

The St. Landry Parish Fire Protection District No. III has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Supplementary Information

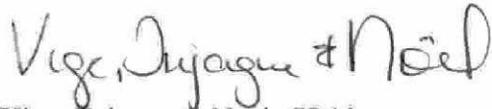
Our audit was conducted for the purpose of forming an opinion on the financial statements of the St. Landry Parish Fire Protection District No. III. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, as required by the State of 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, 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 7, 2021, on our consideration of the St. Landry Parish Fire Protection District No. III'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. III's internal control over financial reporting and compliance.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
June 7, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS
(GWFS)

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

ASSETS

Cash and equivalents	\$ 2,271,804
Investments, at cost	498,973
Receivables (net of allowance for uncollectibles):	
Ad valorem	3,204,723
State revenue sharing	170,620
Accrued interest receivable	752
Prepaid items	19,128
Capital assets, net	<u>786,536</u>
Total assets	<u>6,952,536</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>1,083,268</u>
---------------------------------------	------------------

LIABILITIES

Current liabilities:	
Accounts payable	69,357
Accrued liabilities	28,214
Pension deduction payable	<u>103,330</u>
Total current liabilities	<u>200,901</u>
Noncurrent liabilities:	
Net pension liability	<u>4,167,442</u>
Total liabilities	<u>4,368,343</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>1,013,242</u>
--------------------------------------	------------------

Net Position:

Investments in capital, net of related debt	786,536
Unrestricted	<u>1,867,683</u>
Total net position	<u>\$ 2,654,219</u>

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
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 Assets
				Governmental Activities
Governmental activities:				
General government				
Public safety	\$ 3,416,316	\$ -	\$ 5,000	\$ (3,411,316)
Total governmental activities	<u>\$ 3,416,316</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>(3,411,316)</u>

General revenues:	
Taxes	
Ad valorem taxes	3,191,308
Intergovernmental revenues	
State revenue sharing	170,620
Fire insurance rebate	87,500
State supplemental pay	192,115
Interest and investment earnings	35,054
Nonemployer pension contributions	168,450
Net (decrease) in fair value of investments	1,256
Miscellaneous income	1,587
Total general revenues	<u>3,861,978</u>
Change in net position	450,662
Net position - December 31, 2019	<u>2,203,557</u>
Net position - December 31, 2020	<u>\$ 2,654,219</u>

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

FUND FINANCIAL STATEMENTS

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Balance Sheet
 Governmental Fund
 December 31, 2020

ASSETS

Cash	\$ 2,271,804
Investments	498,973
Receivables:	
Ad valorem	3,204,723
State revenue sharing	170,620
Prepaid items	<u>19,128</u>
 Total assets	 <u><u>\$ 6,165,248</u></u>

LIABILITIES AND FUND BALANCES

Deferred inflows of resources:	
Unavailable revenues - property taxes	<u>1,133,016</u>
Total deferred inflows of resources	<u>1,133,016</u>
 Liabilities:	
Accounts payable	69,357
Pension deduction payable	103,330
Accrued liabilities	<u>28,214</u>
 Total liabilities	 <u>200,901</u>
 Fund balances:	
Fund balances - Unassigned	<u>4,831,331</u>
 Total fund balances	 <u>4,831,331</u>
 Total liabilities and fund balances	 <u><u>\$ 6,165,248</u></u>

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

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

Total fund balance for governmental funds at December 31, 2020	\$ 4,831,331
---	--------------

Total net position 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	1,133,016
--------------	-----------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 42,681	
Building, net of \$777,818 accumulated depreciation	245,412	
Equipment, net of \$4,104,635 accumulated depreciation	498,443	786,536

Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds	(4,097,416)
--	-------------

Accrued interest receivable	752
-----------------------------	-----

Total net position of governmental activities at December 31, 2020	\$ 2,654,219
--	--------------

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Statement of Revenues, Expenditures,
and Changes in Fund Balance - Governmental Fund
For the Year Ended December 31, 2020

Revenues:	
Taxes:	
Ad valorem	2,459,133
Intergovernmental:	
State revenue sharing	170,620
Fire insurance rebate	87,500
State supplemental pay	192,115
Interest income	36,363
Net increase (decrease) in fair value of investments	1,256
Other	<u>6,587</u>
Total Revenues	<u>2,953,574</u>
Expenditures:	
Current:	
Public safety	2,949,743
Capital outlay	<u>66,680</u>
Total Expenditures	<u>3,016,423</u>
Excess (deficiency) of revenues over expenditures	<u>(62,849)</u>
Other financing sources (uses):	
Proceeds from sale of capital assets	<u>14,088</u>
Total other financing sources (uses)	<u>14,088</u>
Excess of revenues and other sources over expenditures and other uses	(48,761)
Fund balance, beginning	<u>4,880,092</u>
Fund balance, ending	<u>\$ 4,831,331</u>

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 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		\$ (48,761)
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		732,175
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	\$ 66,680	
Depreciation expense for the year ended December 31, 2020	(240,651)	
Loss on disposal of capital outlay	(1,615)	(175,586)
Net effect of pension liability recognition		(55,857)
Accrued interest receivable		(1,309)
Total changes in net position at December 31, 2020 per Statement of Activities		\$ 450,662

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting and reporting practices of the St. Landry Parish Fire Protection District No. III conform to generally accepted accounting principles of the United States of America as applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

Reporting entity:

The St. Landry Parish Fire Protection District No. III is a component unit of the St. Landry Parish Police Jury. The District was established to provide fire protection for the residents of the District.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the St. Landry Parish Fire Protection District No. III, as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods and services offered by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Fund Financial Statement:

The District uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

The general fund, a governmental fund type, is the general operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as described below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statements of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues,

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Note to Financial Statements

expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Fees and non tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Available means collectible within the current period or soon enough thereafter to pay current liabilities, usually 60 days. Those revenues susceptible to accrual are ad valorem and state revenue sharing income.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

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

Uncollectible ad valorem taxes are estimated based on prior year's history.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's revenues.

Allocation of indirect expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to these functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Use of estimates in the preparation of financial statements:

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

Concentration of Risks

Concentration of risks with respect the District is subject to the conditions of the limited geographical area of the District.

Budgets:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 1, the Chairman submits to the Board a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through the passage of a resolution; amendments are also legally enacted through the passage of a resolution.
4. The budget for the general fund is adopted on a fund financial statement basis.
5. The budget for the general fund is employed as a management control device during the year.

All budget appropriations lapse at year end. Revenues may not legally fall short of budgeted amounts by more than five percent and expenditures may not legally exceed budgeted appropriations by more than five percent at the individual fund level. Actual expenditures did not exceed budgeted expenditures by greater than five percent for the year ended December 31, 2020. The District does not use encumbrance accounting.

The budget amounts disclosed in this report are as originally adopted and amended by the Board.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Cash and Cash Equivalents

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

Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Compensated absences:

Employees of the District who have been employed for one year earn 18 days of vacation pay. After ten years of service, they earn one additional day of vacation pay for each year worked up to the maximum of 30 days. Neither vacation days nor sick leave can be carried over to future years; therefore, no accruals for compensated absences are necessary.

Prepaid Items:

Payments made for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items.

Allowances for Uncollectibles

All receivables that historically represent uncollectible accounts are shown net of an allowance for uncollectible. The allowance for uncollectible accounts in the general fund is estimated at \$49,048.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activity column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. The amounts of estimated costs are immaterial to these financial statements. Donated fixed assets are stated at their fair market value on the date donated.

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	40 years
Equipment	5 years
Vehicles	7 years

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. There is currently no long-term debt owed by the District.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

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 does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. 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 district's "intent" to be used for specific purposes but are neither restricted nor committed. The 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,

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

assigned, or unassigned fund balances are available, the District considers the amount 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.

Revenues, Expenditures, and Expenses

Program Revenues

Program revenues consist of fees, fines, and charges for services related to governmental fund activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character

In the fund financial statements, governmental funds report expenditures of financial resources.

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.

Note 2. Cash and Interest-Bearing Deposits

For reporting purposes, cash and investments include cash, demand deposits, time deposits, and government backed mortgage securities. The District may invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks having their principal office in the State of Louisiana, or any other federally insured investment. The District may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

The cash and cash equivalents of the St. Landry Parish Fire Protection District No. III are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal 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 bank 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.

Bank account balances at December 31, 2020, totaled \$2,278,601, and of this amount \$250,000 was secured by FDIC Insurance. The remaining amount of \$2,028,601 was secured with pledged securities from First National Bankers Bank.

Note 3. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in May or June and are actually billed to the taxpayers in the latter part of the fiscal year. Billed taxes become delinquent on January 1 of the following year and January and February of the ensuing year. The following is a summary of the levied ad valorem taxes:

General corporate purpose:	
Operations and maintenance	<u>16.79</u>

All accounts and property tax receivables are shown net of any allowance for uncollectible accounts. 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.

Note 4. Accounting Pronouncements

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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 requirements of this Statement are effective for fiscal year 2019.

Note 5. Evaluation of Subsequent Events

The District has evaluated subsequent events through June 7, 2021, the date which the financial statements were available to be issued.

Note 6. Receivables

Receivables at December 31, 2020, consist of the following:

	General Fund
Ad valorem	\$ 3,258,005
State revenue sharing	<u>170,620</u>
Gross Receivables	3,428,625
Less: Allowance for uncollectibles	<u>(53,282)</u>
Net total receivables	<u>\$ 3,375,343</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 7. Capital Assets

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

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 42,681	\$ -	\$ -	\$ 42,681
Other capital assets:				
Buildings	1,023,230	-	-	1,023,230
Equipment	4,977,995	66,680	441,597	4,603,078
Totals	<u>6,043,906</u>	<u>66,680</u>	<u>441,597</u>	<u>5,668,989</u>
Less accumulated depreciation				
Buildings	752,118	25,700	-	777,818
Equipment	4,329,666	214,951	439,982	4,104,635
Total accumulated depreciation	<u>5,081,784</u>	<u>240,651</u>	<u>439,982</u>	<u>4,882,453</u>
Governmental activities, capital assets, net	<u>\$ 962,122</u>	<u>\$ (173,971)</u>	<u>\$ 1,615</u>	<u>\$ 786,536</u>

Note 8. Pension Plan

Substantially all of the employees (34) of the St. Landry Parish Fire Protection District No. III 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.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Members in the System consist of fulltime 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 that 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 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.

Retirement Benefits

Employees with 20 or more years of service who have attained age 50, or employees who have 12 annual 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 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 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

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).

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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.

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 months 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 Adjustments (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 of covered employees' salaries from January through June and 32.25 percent of covered employees' salaries from July through December. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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 \$448,138 and \$397,136, 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 \$4,167,442 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2019 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 0.601228%, which was a decrease of 0.000021% from its proportion measured as of June 30, 2019.

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 \$168,450 of non-employer contribution revenue.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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	\$ -	\$ (266,632)
Changes in assumptions	402,860	-
Net difference between projected and actual earnings on pension plan investments	458,944	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,631	(746,610)
Employer contributions subsequent to measurement date	<u>205,833</u>	<u>-</u>
Total	<u>\$ 1,083,268</u>	<u>\$ (1,013,242)</u>

The District reported a total of \$205,833 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:

Year Ended June 30:	<u>FRS</u>
2021	(123,238)
2022	14,445
2023	(1,563)
2024	(25,802)
2025	(18,747)
2026	<u>13,177</u>
Total	<u>\$ (141,728)</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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	7.0% per annum
Inflation rate	2.700% per annum
Salary increases	Vary from 14.75% in the first two years of service to 4.75% 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.
- 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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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:

	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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

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	1% Decrease	Current Discount	1% Increase
Rates	6.00%	7.00%	8.00%
NPL	\$ 6,019,828	\$ 4,167,442	\$ 2,621,246

The components of the net position liability of the System’s employers as of December 31, 2020 and 2019, are as follows:

	2020 Plan A	2019 Plan A
Total Pension Liability	\$ 15,216,146	\$ 14,510,776
Plan Fiduciary Net Position	(11,048,704)	(10,732,790)
Total Net Pension Liability	\$ 4,167,442	\$ 3,777,986

Plan Fiduciary Net Position as a % of Total Pension Liability	72.61%	73.96%
--	--------	--------

The System issued a standalone audit report on its financial statements for the year ended June 30, 2020. Access to the audit report can be found on the Legislative Auditor’s official website, www.la.la.gov and the System’s website, www.ffret.com.

Note 9. Contingent Liability

As of December 31, 2020, the District is not aware of any violation with respect to environmental issues, which may arise from holdings the District has in fixed assets.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Financial Statements

Note 10. On-Behalf Payments of Salaries and Fringe Benefits

The State of Louisiana paid the District's firefighters supplemental pay of \$192,115. These amounts are included in the accompanying financial statements as revenues and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
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	\$ 3,178,697	\$ 3,143,996	\$ 2,459,133	\$ (684,863)
Intergovernmental	456,115	453,631	450,235	(3,396)
Interest income	22,000	17,000	36,363	19,363
Net increase (decrease) in fair value of investments	-	-	1,256	1,256
Other	-	6,500	6,587	87
Total revenues	<u>3,656,812</u>	<u>3,621,127</u>	<u>2,953,574</u>	<u>(667,553)</u>
Expenditures:				
Current:				
Public safety	2,955,375	2,949,908	2,949,743	165
Capital outlay	75,000	65,500	66,680	(1,180)
Total expenditures	<u>3,030,375</u>	<u>3,015,408</u>	<u>3,016,423</u>	<u>(1,015)</u>
Excess (deficiency) of revenues over expenditures	<u>626,437</u>	<u>605,719</u>	<u>(62,849)</u>	<u>(668,568)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	14,000	14,088	88
Total other financing sources (uses)	<u>-</u>	<u>14,000</u>	<u>14,088</u>	<u>88</u>
Excess of revenues and other sources over expenditures and other uses	626,437	619,719	(48,761)	(668,480)
Fund balance, beginning	<u>3,604,216</u>	<u>4,586,678</u>	<u>4,880,092</u>	<u>(293,414)</u>
Fund balance, ending	<u>\$ 4,230,653</u>	<u>\$ 5,206,397</u>	<u>\$ 4,831,331</u>	<u>\$ (961,894)</u>

See notes to required supplementary information.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
 Budgetary Comparison Schedule - General Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Current:				
Public safety -				
Salaries and related benefits	\$ 2,154,115	\$ 2,118,975	\$ 2,122,793	\$ (3,818)
Civil Service Board	2,500	1,520	1,600	(80)
Per diem	8,280	5,470	5,481	(11)
Telephone and utilities	49,500	46,450	46,259	191
Insurance	441,119	451,150	450,740	410
Uniforms and cleaning	12,000	11,000	10,099	901
Equipment maintenance and supplies	115,000	138,600	134,783	3,817
Building maintenance and supplies	25,000	36,000	36,177	(177)
Professional fees	29,200	26,200	25,934	266
Office supplies	9,000	10,000	9,759	241
Pension expense	95,361	100,993	103,330	(2,337)
Other	14,300	3,550	2,788	762
Capital outlays	75,000	65,500	66,680	(1,180)
Total expenditures	<u>\$ 3,030,375</u>	<u>\$ 3,015,408</u>	<u>\$ 3,016,423</u>	<u>\$ (1,015)</u>

See notes to required supplementary information.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

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	0.601228	\$ 4,167,442	\$ 1,493,075	279.12%	72.61%
FRS	2019	0.603328	\$ 3,777,986	\$ 1,463,010	258.23%	73.96%
FRS	2018	0.0661177	\$ 3,803,142	\$ 1,497,454	253.97%	74.76%
FRS	2017	0.784511	\$ 4,496,699	\$ 1,701,159	264.33%	73.55%
FRS	2016	0.839793	\$ 5,493,005	\$ 1,897,458	289.49%	68.15%
FRS	2015	0.832434	\$ 4,492,740	\$ 1,888,151	237.94%	72.44%

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

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	\$ 448,138	\$ 448,138	\$ -	\$ 1,493,075	30.01%
FRS	2019	\$ 397,136	\$ 397,136	\$ -	\$ 1,463,010	27.15%
FRS	2018	\$ 396,825	\$ 396,825	\$ -	\$ 1,497,454	26.50%
FRS	2017	\$ 439,798	\$ 439,798	\$ -	\$ 1,701,159	25.85%
FRS	2016	\$ 498,021	\$ 498,021	\$ -	\$ 1,897,458	26.25%
FRS	2015	\$ 533,349	\$ 533,349	\$ -	\$ 1,888,151	28.25%

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

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

Notes to Required Supplementary Information

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

(2) Budgetary Practices

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

(3) Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following individual 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>
Total Expenditures	<u>\$ 3,030,375</u>	<u>\$ 3,015,408</u>	<u>\$ 3,016,423</u>	<u>\$ (1,015)</u>

(4) Pension Plans

Changes of Assumptions – 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

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

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. III
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. III, 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. III's basic financial statements, and have issued our report thereon dated June 7, 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. III'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. III's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Landry Parish Fire Protection District No. III'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

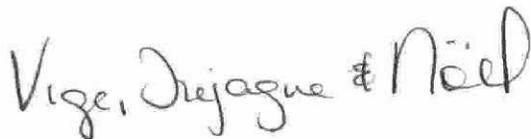
As part of obtaining reasonable assurance about whether St. Landry Parish Fire Protection District No. III's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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. III's Response to Finding

St. Landry Parish Fire Protection District No. III'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. III'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 7, 2021

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

We have audited the financial statements of St. Landry Parish Fire Protection District No. III as of and for the year ended December 31, 2020 and have issued our report dated June 7, 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 Budget

Condition: Total budgeted revenues exceeded total actual revenues by greater than 5%.

Criteria: The Local Government Budget Act (R.S. 396:1301-1314) states that total budgeted revenues should not exceed total actual revenues by greater than 5% and total actual expenditures should not exceed total budgeted expenditures by greater than 5%. When this occurs, the budget should be amended prior to year end.

Cause: The budget was not properly amended to account for the accrual of ad valorem tax.

Effect: Failure to properly amend the budget resulted in a variance greater than 5% of budgeted revenues and resulted in noncompliance with budget laws.

Recommendation: We recommend that the Fire District make the necessary amendments to the budget prior to year end for the accrual of ad valorem tax receipts.

Response: The Fire District will make the necessary amendments to the budget prior to year end for accrual of revenues.

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III
Schedule of Findings and Responses (continued)
Year Ended December 31, 2020

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. III
Schedule of Prior Year Findings
Year Ended December 31, 2020

I Internal Control and Compliance Material to the Financial Statements

The prior year's report did not include any financial statement findings.

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. III
 Schedule of Per Diems
 For the Year Ended December 31, 2020

	<u>Per Diem</u>	<u>Mileage</u>	<u>Total</u>
Greg Doucet	\$ 720	\$ 47	\$ 767
Charles Lefleur	800		800
Charles Breaux	-	43	43
Richard Joubert	-	61	61
Willie Pickens	800	-	800
Terri Courville	80	-	80
Alex Thibodeaux	-	2	2
Adam Bordelon		2	2
Donald Robinson, Sr.	880	71	951
Pamela Jackson	80	4	84
Wilfred Kinnerson	880	131	1,011
Ryan E Chachere	880	-	880
Total	<u>\$ 5,120</u>	<u>\$ 361</u>	<u>\$ 5,481</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The board members receive \$80 for each regular or special meeting they attend and \$30 for each committee meeting they attend.

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

Agency Head Name: Matthew Rabalais, Chief
Service Period: 12 months

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 93,508
State Supplemental Pay	6,000
Benefits - retirement	29,869
Benefits - health insurance	10,009
Total	<u>\$ 139,386</u>

ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. III

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended December 31, 2020

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

2020-001 Budget

Condition: Total budgeted revenues exceeded total actual revenues by greater than 5%.

Recommendation: We recommend that the Fire District make the necessary amendments to the budget prior to year end for the accrual of ad valorem tax receipts.

Response: The Fire District will make the necessary amendments to the budget prior to year end for accrual of revenues.

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:

A handwritten signature in blue ink, appearing to read "Rafael K. ...", written over a horizontal line.