

**SABINE PARISH FIRE PROTECTION DISTRICT NO. 1,  
WARDS NO. 1 AND 2  
SABINE PARISH, LOUISIANA  
FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2020**

Sabine Parish Fire Protection District No. 1  
Wards No. 1 and 2  
Financial Report  
December 31, 2020

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**Sabine Parish Fire Protection District No. 1,  
Wards No. 1 and 2  
Florien, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the annual financial report for Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2, (hereafter referred to as the Fire District) presents an overview and analysis of the Fire District's financial activities for the year ended December 31, 2020. The intent of the MD&A is to look at the Fire District's financial performance as a whole. It should, therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Fire District's operations.

**Financial Highlights**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Fire District as a whole and presents a longer-term view of the Fire District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

**Government-Wide Financial Statements**

- The Statement of Net Position presents all of the Fire District's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Fire District's net position may serve as a useful indicator of whether the financial position of the Fire District is improving or deteriorating.
- The Statement of Activities presents information showing how the Fire District's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

**Fund Financial Statements**

The services provided by the Fire District are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fire District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fire District conducts its day-to-day operations through a governmental fund, the General Fund. These statements provide a short-term view of the Fire District's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Fire District.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2020</u>	<u>2019</u>
ASSETS:		
Current and Other Assets	\$1,167,183	\$1,208,244
Capital Assets, Net of Accumulated Depreciation	<u>1,383,845</u>	<u>1,167,084</u>
Total Assets	<u>\$2,551,028</u>	<u>\$2,375,328</u>
LIABILITIES:		
Current and Other Liabilities	\$ <u>13,823</u>	\$ <u>42,492</u>
NET POSITION:		
Net Investment in Capital Assets	\$1,383,845	\$1,167,084
Unrestricted	<u>1,153,360</u>	<u>1,165,752</u>
Total Net Position	<u>\$2,537,205</u>	<u>\$2,332,836</u>

## Summary of Statement of Activities

	<u>2020</u>	<u>2019</u>
REVENUES:		
General Revenues-		
Taxes	\$633,184	\$645,091
Other	<u>59,752</u>	<u>40,685</u>
Total Revenues	\$692,936	\$685,776
EXPENSES:		
Current-		
Public Safety	<u>488,567</u>	<u>439,734</u>
Change in Net Position	<u>\$204,369</u>	<u>\$246,042</u>

- The Fire District's assets exceeded its liabilities by \$2,537,205 (net position) for the year. For the prior year this was \$2,332,836.
- Unrestricted Net Position of \$1,153,360 represents the portion available to maintain the Fire District's obligation to both citizens and creditors. This is a decrease of \$12,392 from prior year.

General Fund Budgetary Highlights

The General Fund budget was amended once during the year, to account for the increase in capital expenditures. At December 31, 2020, actual revenues and expenditures were within the 5% variances allowed when compared to final budgeted revenues and expenditures.

Economic Factors and Next Year's Budget

As the primary revenue source for the Fire District is property taxes, this type of tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases or decreases in the tax base would be evident. Revenues and expenditures for 2021 are not expected to change significantly from 2020.

Contacting the Fire District

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Fire District's finances and to demonstrate the Fire District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Fire District at P. O. Box 38, Florien, LA 71429.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
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**INDEPENDENT AUDITORS' REPORT**

The Board of Commissioners  
Sabine Parish Fire Protection District No. 1,  
Wards No. 1 and 2  
Florien, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2, 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 of the Fire District 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 the financial statements that are free from material misstatement whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion 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 and the *Louisiana Governmental Audit Guide*. 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 and major fund of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1 through 3 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 Management's Discussion and Analysis 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire District's basic financial statements. The Budgetary Comparison Schedule and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, listed as other supplementary information in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Budgetary Comparison Schedule and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are fairly stated in all material respects in relation to the financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021, on our consideration of the Fire District'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 the Fire District's internal control over financial reporting and compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

June 25, 2021



## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Statement of Net Position  
December 31, 2020

ASSETS:

Current Assets-

Cash & Cash Equivalents	\$ 504,667
Revenue Receivable	649,296
Prepaid Expenses	<u>12,332</u>

Total Current Assets \$1,166,295

Non-Current Assets-

Capital Assets (Net of Accumulated Depreciation)	\$1,383,845
Utility Deposits	<u>888</u>

Total Non-Current Assets \$1,384,733

Total Assets \$2,551,028

LIABILITIES:

Accounts Payable	\$ 13,823
Payroll Liabilities	<u>0</u>

Total Liabilities \$ 13,823

NET POSITION:

Net Investment in Capital Assets	\$1,383,845
Unrestricted	<u>1,153,360</u>

Total Net Position \$2,537,205

See independent auditors' report and notes to financial statements.

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Statement of Activities  
December 31, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public Safety	<u>\$488,567</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ (488,567)</u>
General Revenues:				
	Taxes-			
	Property Tax			\$ 633,184
	State Revenue Sharing			37,859
	Fire Insurance Rebate			15,807
	Interest			2,086
	Other			<u>4,000</u>
	Total General Revenues			<u>\$ 692,936</u>
	Change in Net Position			\$ 204,369
	Net Position, beginning of year			<u>2,332,836</u>
	Net Position, end of year			<u>\$2,537,205</u>

See independent auditors' report and notes to financial statements.

## FUND FINANCIAL STATEMENTS

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Balance Sheet-Governmental Fund  
December 31, 2020

Assets:

Cash & Cash Equivalents	\$ 504,667
Revenue Receivable	649,296
Prepaid Expenses	12,332
Deposits	<u>888</u>

Total Assets \$1,167,183

Liabilities:

Accounts Payable	\$ 13,823
Payroll Liabilities	<u>0</u>

Total Liabilities \$ 13,823

Fund Balance:

Nonspendable- Prepaid Expenses	\$ 12,332
Unassigned	<u>1,141,028</u>

Total Fund Balance \$1,153,360

Total Liabilities and Fund Balance \$1,167,183

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
December 31, 2020

Total Fund Balance for the Governmental Fund	\$1,153,360
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Amounts reported for Governmental Activities  
in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not  
current financial resources and, therefore, are not  
reported in the Governmental Fund Balance Sheet.  
Those assets consist of:

Capital Assets	\$ 3,323,238	
Less Accumulated Depreciation	<u>(1,939,393)</u>	
		<u>1,383,845</u>

Total Net Position of Governmental Activities	<u>\$2,537,205</u>
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Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Governmental Fund  
Year Ended December 31, 2020

REVENUES:

Taxes	\$ 633,184
Intergovernmental-	
State – State Revenue Sharing	37,859
Local – Fire Insurance Rebate	15,807
Interest	2,086
Other	<u>4,000</u>
Total Revenues	\$ <u>692,936</u>

EXPENDITURES:

Current-	
Public Safety-	
Personnel costs	\$ 74,788
Occupancy	44,445
Insurance	25,822
Operating Services	167,206
Capital Outlay	<u>393,067</u>
Total Expenditures	\$ <u>705,328</u>

Excess (Deficiency) of Revenues over Expenditures \$ (12,392)

Fund Balance-Beginning of Year 1,165,752

Fund Balance-End of Year \$1,153,360



Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
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

Net Change in Fund Balance-Governmental Fund	\$ (12,392)
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Amounts 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 these  
assets is allocated over their estimated useful lives as  
depreciation expense. The cost of capital assets recorded  
in the current period is

393,067

Depreciation Expense on capital assets is reported in the  
government-wide financial statements, but does not  
require the use of current financial resources and is not  
reported in the Fund Financial Statements. Current year  
depreciation expense is

(176,306)

Change in Net Position, per Statement of Activities	\$ <u>204,369</u>
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## NOTES TO FINANCIAL STATEMENTS

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Notes to Financial Statements  
December 31, 2020

Introduction:

The Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2, was created by the Sabine Parish Police Jury, as authorized by Louisiana Revised Statutes 40:1492, for the purpose of providing fire protection for the citizens of the Fire District. The Fire District is governed by a board of five commissioners appointed by the Police Jury and the Village of Florien. The commissioners serve two-year terms. The Fire District was created to acquire and maintain buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other such things necessary to provide proper fire protection and control within the Fire District.

1. Summary of Significant Accounting Policies:

The accounting and reporting policies of Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2, conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

A. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is 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 Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Fire District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

B. Fund Accounting-

The accounts of the Fire District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Fire District maintains only one fund. It is categorized as a governmental fund. A fund is considered major if it is the primary operating fund of the entity.

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Notes to Financial Statements  
December 31, 2020

The major fund of the Fire District is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Fire District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both 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 pay liabilities of the current period. The Fire District considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

D. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

Consistent with GASB Statement 9, the Fire District defines cash and equivalents as follows:

Cash – includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Notes to Financial Statements  
December 31, 2020

Cash equivalents – includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments that, at the date of purchase, have a maturity date no longer than three months qualify under the definition.

#### Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. Depreciation of all exhaustible capital assets used by the Fire District is recorded as an expense against operations in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterment are capitalized.

#### Compensated Absences-

The Fire District does not have full time employees, therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

#### Equity Classifications-

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

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

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Notes to Financial Statements  
December 31, 2020

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. 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;
- c. 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;
- d. 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;
- e. 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 and assignments by passage of an ordinance or resolution.

The General Fund has an unassigned fund balance of \$1,141,028. If applicable, the Fire District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

E. Budget-

Formal budgetary accounting is employed as a management control. The Fire District prepares and adopts a budget each year in accordance with the Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated changes therein for the current year, using the full accrual basis of accounting. The Fire District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Estimates-

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

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Notes to Financial Statements  
December 31, 2020

2. Cash and Cash Equivalents:

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law, the Fire District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Fire District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

The cash and cash equivalents of the Fire District 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 Fire 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 Fire 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 Fire District's name.

Deposits in bank accounts are stated at cost, which approximates market. Bank account balances at December 31, 2020, totaled \$506,453 and of this amount, \$256,608 was secured by FDIC Insurance. The remaining amount of \$249,845 was secured by the pledge of securities owned by the depository bank.

3. Receivables:

The following is a summary of receivables at December 31, 2020:

Ad valorem taxes	\$634,305
State revenue sharing	<u>14,991</u>
Total	<u>\$649,296</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectible is used.

4. Leases:

The Fire District was not obligated under any capital or operating lease commitments at December 31, 2020.

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Notes to Financial Statements  
December 31, 2020

5. Capital Assets:

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

Governmental Activities	Balance 01-01-20	Additions	Deletions	Balance 12-31-20
Capital Assets Not Depreciated:				
Land	\$ 94,680	\$ 0	\$ 0	\$ 94,680
Capital Assets Depreciated:				
Fire Trucks/Equipment	2,441,224	259,212	194,812	2,505,624
Buildings	<u>589,079</u>	<u>133,855</u>	<u>0</u>	<u>722,934</u>
Total Assets	<u>\$3,124,983</u>	<u>\$393,067</u>	<u>\$194,812</u>	<u>\$3,323,238</u>
Less Accumulated Depreciation:				
Fire Trucks/Equipment	\$1,605,936	\$158,371	\$194,812	\$1,569,495
Buildings	<u>351,963</u>	<u>17,935</u>	<u>0</u>	<u>369,898</u>
Total Depreciation	<u>\$1,957,899</u>	<u>\$176,306</u>	<u>\$194,812</u>	<u>\$1,939,393</u>
Net Capital Assets	<u>\$1,167,084</u>	<u>\$216,761</u>	<u>\$ 0</u>	<u>\$1,383,845</u>

Depreciation expense of \$176,306 was charged to the public safety function.

6. Ad Valorem Taxes:

The Fire District levies taxes on real and business personal property located within the boundaries of Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2. Property taxes are levied by the Fire District on property values assessed by the Sabine Parish Tax Assessor and approved by the State of Louisiana.

The Sabine Parish Sheriff's office bills and collects property taxes for the Fire District. Collections are remitted to the Fire District monthly. The Fire District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax Sale	May 15

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2020. Total assessed value was \$42,937,334 in 2020. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$7,738,847 of the assessed value in 2020.

For the year ended December 31, 2020, taxes of \$659,718 (18.74 mills) were levied on the property and were dedicated to fire protection.



Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Notes to Financial Statements  
December 31, 2020

7. Pending Litigation:

There was no outstanding litigation against the Fire District as of December 31, 2020.

8. Compensation Paid to Board Members:

A detailed of compensation paid to individual board members for the year ended December 31, 2020 follows:

Kaleb Herrington	\$ 360
Jack Hanke	330
Stewart Anthony	360
Karren Hammontree	300
Willis Funderburk	30
C. M. Kelly	420
Barry Goss	30
Kelly Stewart	<u>60</u>
Total	<u>\$1,890</u>

9. Subsequent Events:

Management has evaluated events through June 25, 2021, the date on which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 600,000	\$ 600,000	\$ 633,184	\$ 33,184
Intergovernmental-				
State Revenue Sharing	22,500	22,500	37,859	15,359
Local - Fire Insurance Rebate	16,000	16,000	15,807	(193)
Interest	1,500	1,500	2,086	586
Miscellaneous	0	0	4,000	4,000
Total Revenues	<u>\$ 640,000</u>	<u>\$ 640,000</u>	<u>\$ 692,936</u>	<u>\$ 52,936</u>
EXPENDITURES:				
Current-				
Public Safety-				
Personnel Costs	\$ 72,000	\$ 72,000	\$ 74,788	\$ (2,788)
Occupancy	40,000	40,000	44,445	(4,445)
Insurance	35,000	35,000	25,822	9,178
Operating Services	133,000	133,000	167,206	(34,206)
Capital Outlay	<u>360,000</u>	<u>393,000</u>	<u>393,067</u>	<u>(67)</u>
Total Expenditures	<u>\$ 640,000</u>	<u>\$ 673,000</u>	<u>\$ 705,328</u>	<u>\$(32,328)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ (33,000)	\$ (12,392)	\$ 20,608
Fund Balance-Beginning of Year	<u>1,165,752</u>	<u>1,165,752</u>	<u>1,165,752</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,165,752</u>	<u>\$1,132,752</u>	<u>\$1,153,360</u>	<u>\$ 20,608</u>

See independent auditors' report and notes to financial statements.

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2020

Agency Head Name: Douglas Downs, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$18,274
Benefits- SS & Med.	1,398
Contract Labor	300
Reimbursement of Expenses	1,124

See independent auditors' report.

OTHER REPORTS/SCHEDULES

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation  
Roger M. Cunningham, CPA - A Professional Corporation  
Jessica H. Broadway, CPA - A Professional Corporation  
Ryan E. Todtenbier, CPA - A Professional Corporation

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INDEPENDENT AUDITORS' 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*

The Board of Commissioners  
Sabine Parish Fire Protection District No. 1,  
Wards No. 1 and 2  
Florien, 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, and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2, Florien, Louisiana, 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, and have issued our report thereon dated June 25, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fire District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, 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. 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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fire District'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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, identified as Items 2020-001 and 2020-002 in the Schedule of Audit Findings.

## **Management's Response to Findings**

The Fire District's responses to the findings identified in our audit are described in the accompanying Schedule of Audit Findings. These responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier CPA's  
Natchitoches, Louisiana

June 25, 2021

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Schedule of Audit Findings  
Year Ended December 31, 2020

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2, as of and for the year ended December 31, 2020.
2. The audit did not disclose any material weaknesses in internal control.
3. The audit disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* (Items 2020-001 and 2020-002).

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Compliance-

*2020-001 Minutes of Board Meetings*

*Criteria* – Louisiana Revised Statutes 24:144 requires minutes of the Board to be published within ten days from the date of any meeting at which official proceedings were held.

*Condition* – During the year ending December 31, 2020, minutes of Board meetings were not properly and timely published.

*Cause* – The Fire District failed to properly publish minutes of all Board meetings.

*Effect* – The Fire District is not in compliance with the state law.

*Recommendation* – The Fire District should adopt procedures to ensure compliance with state law regarding publishing of minutes of Board meetings.

*Response* – The Fire District has implemented procedures to ensure that minutes are submitted to the official publication within five working days from the date of the meeting. These procedures were implemented as of the first meeting in 2021.

*2020-002 Local Government Budget Act*

*Criteria* – Louisiana laws require the amendment of the original budget once the governing authority has been notified of a 5% variance or a change in operations upon which the original budget was developed, and such amendment must be adopted at a public meeting after publication of the agenda.

*Condition* – For the year ended December 31, 2020, the amended budget was not adopted at a public meeting after publication of the agenda.

*Cause* – The Fire District failed to include the budget amendment on the agenda for the Board meeting held in December, 2020.

*Effect* – The Fire District is not in compliance with Louisiana laws.



Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2  
Schedule of Audit Findings  
Year Ended December 31, 2020

*2020-002 Local Government Budget Act (continued)*

*Recommendation* – The Fire District should institute procedures to ensure that the budget is amended and adopted in compliance with the Local Government Budget Act.

*Response* – The Fire District will implement policies and procedures to ensure the budget is properly amended and adopted prior to the end of the year, in compliance with the Local Government Budget Act.

III. PRIOR YEAR FINDINGS

*2019-001 Minutes*

*Condition* – Board minutes are not being published or are not being published timely.

*Status* – The condition was not cleared as of December 31, 2020. See *2020-001*.