

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

**COMPONENT UNIT OF THE
LAFOURCHE PARISH GOVERNMENT**

Thibodaux, Louisiana

Financial Statements with Supplemental Information

December 31, 2019



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LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Financial Statements
December 31, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners
Lafourche Parish Fire Protection District No. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana 70301

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 6, a component unit of the Lafourche Parish Government, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Accountant's Responsibility

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

Accountant's Conclusion

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

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Budgetary Comparison Schedule – General Fund* on page 23 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. This information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



Thibodaux, Louisiana
June 17, 2020

FINANCIAL STATEMENTS

Government-Wide
Financial Statements (GWFS)

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Net Position
December 31, 2019

Assets

Cash and cash equivalents	\$	420,071
Receivables - ad valorem tax		405,233
Capital assets, not being depreciated		22,299
Capital assets, net of depreciation		829,621
Total assets	\$	<u>1,677,223</u>

Liabilities

Accounts payable	\$	-
Accrued interest payable		12,624
Long term liabilities due < 1 year		55,000
Long term liabilities due > 1 year		940,000
Total liabilities	\$	<u>1,007,624</u>

Deferred inflows of resources

Ad valorem taxes revenue	\$	<u>37,291</u>
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Net position

Invested in capital assets, net of related debt	\$	851,919
Restricted for:		
Debt Service		479,912
Unrestricted		(699,523)
Total net position	\$	<u>632,308</u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Activities

For the Year Ended December 31, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Increase (Decrease) in Net Position
	Charges for Expenses	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental activities:				
Public safety - fire protection:				
St. John Volunteer Fire Dept	\$ 364,508	\$ -	\$ -	\$ 364,508
Depreciation	84,061	-	-	84,061
Office expense	171	-	-	171
Professional fees	7,000	-	-	7,000
Interest expense	35,188	-	-	35,188
Total governmental activities:	\$ 490,928	\$ -	\$ -	\$ 490,928
General revenues:				
Ad valorem taxes			\$ 457,219	
Fire Insurance rebate			39,508	
Total general revenues			\$ 496,727	
Increase (decrease) in net position				5,799
Net position - beginning of the year				626,509
Net position - end of the year				\$ 632,308

The accompanying notes are an integral part of this statement.

Fund Financial Statements (FFS)

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Fund Balance Sheet - Governmental Funds

December 31, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 61,635	\$ 358,437	\$ 420,071
Receivables - ad valorem tax	332,690	72,543	405,233
Total assets	<u>\$ 394,324</u>	<u>\$ 430,980</u>	<u>\$ 825,305</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Deferred inflows of resources			
Ad valorem taxes	\$ 30,412	\$ 6,879	\$ 37,291
Total deferred inflows of resources	<u>\$ 30,412</u>	<u>\$ 6,879</u>	<u>\$ 37,291</u>
 Fund balances			
Committed for debt service		\$ 424,101	\$ 424,101
Unassigned	\$ 363,912	-	363,912
Total fund balances	<u>\$ 363,912</u>	<u>\$ 424,101</u>	<u>\$ 788,013</u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Ad valorem tax	\$ 373,523	\$ 83,696	\$ 457,219
Fire insurance rebate	39,508	-	39,508
Total revenues	<u>\$ 413,031</u>	<u>\$ 83,696</u>	<u>\$ 496,727</u>
EXPENDITURES			
Public safety - fire protection:			
Current:			
St. John Volunteer Fire Department	\$ 364,508	\$ -	\$ 364,508
Office expense	171	-	171
Professional fees	7,000	-	7,000
Total current expenditures	<u>371,679</u>	<u>-</u>	<u>371,679</u>
Debt Service:			
Principal retirement	-	55,000	55,000
Interest and fiscal charges	-	35,999	35,999
Total debt service	<u>-</u>	<u>90,999</u>	<u>90,999</u>
Total expenditures	<u>\$ 371,679</u>	<u>\$ 90,999</u>	<u>\$ 462,678</u>
Excess of revenues over/(under) expenditures	41,352	(7,302)	34,049
Net increase (decrease) in fund balances	41,352	(7,302)	34,049
FUND BALANCE			
Beginning of year	\$ 322,560	\$ 431,403	\$ 753,964
End of year	<u>\$ 363,912</u>	<u>\$ 424,101</u>	<u>\$ 788,013</u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2019

Total Fund Balances - Governmental Funds	\$	788,013
Total net position reported for governmental activities in the statement of net positions is different because:		
<p style="margin-left: 40px;">Capital assets used in governmental activities are not current financial resources and therefore not reported in the Governmental Funds Balance Sheet, those assets consist of:</p>		
Capital asset, not being depreciated	\$ 22,299	
Capital assets, net of \$971,540 accumulated depreciation	<u>829,621</u>	851,919
<p style="margin-left: 40px;">Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds:</p>		
Accrued interest payable	(12,624)	
Certificate of Indebtedness	<u>(995,000)</u>	(1,007,624)
Total Net Position - Governmental activities	\$	<u><u>632,308</u></u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

**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, 2019

Total net changes in fund balances at December 31, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 34,049
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense for the current year	(84,061)
Debt principal retirement not considered an expense in the Statement of Activities	55,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on an accrual basis.	811
Change in Net Position - Governmental activities	<u>\$ 5,799</u>

The accompanying notes are an integral part of this statement.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2019

INTRODUCTION

The Lafourche Parish Fire Protection District No. 6, (the District) operates under the Lafourche Parish Council in compliance with the provisions of Article VI, Section 15 of the constitution of the State of Louisiana of 1974. The District was formed for the purpose of acquiring, constructing, maintaining, and operating fire protection facilities. The District is made up of a four-member board of Directors, appointed by the Lafourche Parish Council, governs the District. The District's finances are primarily ad valorem taxes on property located within the District's boundaries. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds, and levy taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting entity

As the governing authority of the parish, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The financial reporting entity consists of (a) the primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the parish council appoints the governing board and because of the potential for the organization to impose specific financial burdens on the council, the district was determined to be a component unit of the Lafourche Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Governmental Accounting Standards Board (GASB) statements provide guidelines in determining whether certain organizations are component units. An objective of Statement No. 14, The Financial Reporting Entity, is that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. Statement 39 amends Statement 14 to provide additional

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Notes to the Financial Statements
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guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based upon the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based on the previous criteria, the District has determined that it has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. 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 and charges paid by the recipients for goods or services offered by the programs, 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.

Fund Financial Statements (FFS)

The accounts of the District are organized and operated 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

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Notes to the Financial Statements
December 31, 2019

provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the District is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the District is described below:

Governmental Fund -

General Fund

The General Fund is the principal fund of the District and is used to account for the operations of the District's office. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs associated with the financing for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including fire trucks, to be used in giving fire protection.

C. 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.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when

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Notes to the Financial Statements
December 31, 2019

the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District wide operations.

The amounts reflected in the Governmental Funds, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues –

Revenues are generally recognized when they become measurable and available as net current assets.

Expenditures –

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses) –

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Board.

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Notes to the Financial Statements
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D. Budgets and Budgetary Accounting

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners is required to adopt a budget for the District's general fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund Budgetary Comparison Schedule is prepared on the cash basis of accounting, which is a non-GAAP basis of accounting. The difference between cash basis (non-GAAP) and accrual basis (GAAP) is the accounting for the Ad Valorem receivables and deferred inflows and outflows. This adjustment is necessary for comparison purposes.

E. Encumbrances

The district does not use encumbrance accounting.

F. Cash and cash equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents also include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the District 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.

For the purposes of the Statement of Net Position, restricted cash is an amount received or earned by the District with an explicit understanding that the resource would be used for a specific purpose. At year end, the line item *Cash and cash equivalents* on the Statement of Net Position is comprised of restricted cash of \$358,437 and unrestricted cash of \$61,635. The District has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

G. Inventories

Physical inventories consist of expendable supplies held for consumption. Because inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

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Notes to the Financial Statements
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H. Capital assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net positions and Statement of Activities. Since surplus assets are disposed of or sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Life
Building & improvements	40
Fire Trucks & units	15
Equipment	5-10

In the fund financial statements, capital assets used in the department's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

I. Long-Term Obligations

In the government-wide financial statements, debt and principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt and principal payments of governmental funds are recognized as expenditures when paid.

J. Equity Classifications

In the Government-Wide statements, equity is classified as Net Position and displayed in three components:

- a. Invested 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.

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- 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."

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal decision through approval in minutes of the Board, which is the highest level of decision-making authority.
- d. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned - all other spendable amounts.

Explanations of the nature and purpose of the designations of the District's fund balances are as follows:

- a) General Fund – represents the primary operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.
- b) Debt Service Fund – represents assets reserved to fund the upcoming years' debt service obligations.

When an expenditure is incurred for the purposed for which both restricted and unrestricted fund balance is available, the Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned

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fund balances are available, the Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

K. Deferred Outflows of Resources and Deferred Inflows of Resources

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

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Subsequent Events

Subsequent to year-end, the District has been affected by the worldwide coronavirus pandemic which has impacted the local economy. As of the date of the issuance of these financial statements, the full impact to the District's financial position is unknown.

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (June 17, 2020).

NOTE 2. LEVIED TAXES

Ad valorem taxes are levied on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax District at percentages of actual value as specified by Louisiana law. A reevaluation of all real property is required to be completed no less than every four years. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The district is authorized levy a maximum of 16 mills for ad valorem tax. The tax rate for the year ended December 31, 2019, which is the 2019 tax roll, was 7.6 mills per \$1,000 of assessed valuation on property within the District's area for the purpose of maintaining and operating

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December 31, 2019

the District and 1.55 mills per \$1,000 for the purpose of payment of general long term debt principal, interest, and related costs for the District.

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2019, the District has cash (book balances) totaling \$420,071 as follows:

Cash & Equivalents	Cost	Fair Value	APY	Maturity	Credit Risk Category
Fire District #6:					
Checking - Operating	\$ 61,635	\$ 61,635	N/A	Demand	Category 1
Checking – Debt Service	358,437	358,437	N/A	Demand	Category 1
Total Cash	<u>\$ 420,071</u>	<u>\$ 420,071</u>			

These deposits are stated at cost, which approximate market. Under state law, this deposit (or resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

NOTE 4. 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’s deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2019 in the amount of \$420,071 were secured with \$250,000 of federal deposit insurance and pledged securities of \$170,071, respectively. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution’s trust department or agent, but not in the District’s name (category 3 deposits). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank

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to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds on demand. The District does not have a policy for custodial credit risk.

NOTE 5. CHANGES IN CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	12/31/2018	Additions	Deletions	12/31/2019
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 22,299	\$ -	\$ -	\$ 22,299
Total non-depreciable capital assets	<u>22,299</u>	<u>-</u>	<u>-</u>	<u>22,299</u>
Capital assets being depreciated				
Buildings & improvements	369,534	-	-	369,534
Equipment	51,386	-	-	51,386
Fire vehicles & units	1,380,242	-	-	1,380,242
Total depreciable capital assets	<u>1,801,162</u>	<u>-</u>	<u>-</u>	<u>1,801,162</u>
Total capital assets	1,823,461	-	-	1,823,461
Less: accumulated depreciation				
Building & improvements	114,197	9,238	-	123,436
Equipment	22,488	4,884	-	27,372
Fire vehicles & units	750,795	69,939	-	820,732
Total accumulated depreciation	<u>887,480</u>	<u>84,061</u>	<u>-</u>	<u>971,540</u>
Governmental activities, capital assets, net of depreciation	<u>\$ 913,682</u>	<u>\$ (84,061)</u>	<u>\$ -</u>	<u>\$ 851,919</u>

NOTE 6. SHORT-TERM AND LONG-TERM OBLIGATIONS

During fiscal year ended December 2012, the Lafourche Parish Fire Protection District No. 6 passed a resolution to incur new debt of \$1,300,000 for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including fire trucks. The District received the proceeds of \$1,300,000 General Obligations Bonds, Series 2012. The current annual interest rate is 2.25%. During the year, the District paid \$35,999 in interest expense. Debt service required for the upcoming fiscal year is \$55,000 and \$35,999 principal and interest, respectively.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2019

The following is a summary of the transactions of the bonds payable during the year:

Governmental activities:	
General Obligation Bonds, Series 2012	
Long-term obligations payable at December 31, 2018	\$ 1,050,000
Additions	-
Reductions	(55,000)
Long-term obligations payable at December 31, 2019	<u>\$ 995,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the general revenues of the District. The amounts due on outstanding debt, including interest, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total</u>
2020	55,000	2.500%	34,693	89,693
2021	60,000	2.750%	33,180	93,180
2022	65,000	4.500%	30,893	95,893
2023	65,000	2.950%	28,471	93,471
2024	70,000	3.100%	26,428	96,428
2025-2028	310,000	3.250% - 3.650%	81,375	391,375
2029-2032	370,000	3.750% - 4.200%	30,991	400,991
	<u>\$ 995,000</u>		<u>\$266,030</u>	<u>\$1,261,030</u>

The following is a summary of the short-term portion of total bonds payable transactions during the year:

	<u>12/31/2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2019</u>
Long term liabilities due < 1 year	\$ 55,000	\$ 55,000	\$ (55,000)	\$ 55,000

NOTE 7. COMPENSATION OF BOARD MEMBERS

The District did not pay per diem or compensation to any of its board members during the year ended December 31, 2019.

NOTE 8. COOPERATIVE AGREEMENT

On January 1, 2011, Lafourche Parish Fire Protection District No. 6 contracted with St. John Volunteer Fire Department (Fire Department), a non-profit corporation, for the Fire

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2019

Department to coordinate and supervise firefighting and emergency service in that fire district in return for insurance rebates, revenue sharing funds, and a sum equal to 7.6 mills of assessed property taxes collected by the District. The District has the right to reserve up to \$5,000 annually, to be used to defray the District's expenses.

Under the term of the cooperative agreement, the Fire Department shall be responsible and shall obtain fire and windstorm protection insurance on all fire stations owned, operated, or controlled by the Fire Department or District at the Fire Department's expense. During the year, the District paid \$364,508 to St. John Volunteer Fire Department for fire protection service.

NOTE 9. RISK MANAGEMENT

The department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illnesses or injuries to its volunteers; and natural disasters. The department has purchased commercial insurance to cover or reduce the risk of loss. No settlements were made during the current that exceeded the department's insurance coverage. St. John Volunteer Fire Dept. pays for the insurance on behalf of Lafourche Parish Fire Protection District No. 6.

NOTE 10. LITIGATION AND CLAIMS

At December 31, 2019, the District had no litigation or claims pending.

Required Supplemental Information

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government

Budget Comparison Schedule
General Fund - (Non-GAAP Basis)
For the Year ended December 31, 2019

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:			
Ad valorem taxes	\$ 325,000	\$ 388,918	\$ 63,918
Fire insurance rebate	<u>39,500</u>	<u>39,508</u>	<u>8</u>
 Total revenues	 <u>\$ 364,500</u>	 <u>\$ 428,426</u>	 <u>\$ 63,926</u>
Expenditures:			
St. John Volunteer Fire Department	\$ 380,950	\$ 364,508	\$ 16,442
Office expense	200	283	(83)
Publications	750	-	750
Professional fees	<u>3,500</u>	<u>7,000</u>	<u>(3,500)</u>
 Total expenditures	 <u>\$ 385,400</u>	 <u>\$ 371,791</u>	 <u>\$ 13,609</u>
 Excess (deficiency) of revenues over expenditures	 (20,900)	 56,635	 77,535
 Net increase (decrease) in fund balances	 (20,900)	 56,635	 77,535
 Fund balance, beginning	 <u>not budgeted</u>	 <u>\$ 322,561</u>	
 Fund balance, ending	 <u>not budgeted</u>	 <u><u>\$ 379,195</u></u>	

Supplemental Information

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

For the Year Ended December 31, 2019

**Schedule of Compensation, Benefits and Other Payments to Agency Head or
Chief Executive Officer**

Agency Head Name: Board of Directors (Andrew Robertson - President)

No payments were made to the agency head during the year 2019.

Purpose	Amount
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Prior Year Findings
December 31, 2019

Section I – Internal Control and Compliance Material to the Financial Statements:

Ref. No.

1218-01

Description of Finding

Noncompliance with state laws on Bond Millages.

During the course of the review, we discovered that the District's bond millage far exceeds the amounts necessary to fund current debt service on its general obligation bonds and its cash reserves equaled 2-3 years of debt service.

Article VI, Section 33 of the Louisiana Constitution states that the governmental agency should determine the amount of the debt service (principal and interest) required, determine the amount of assessed value to be taxed, and then set their millage rate at such a level as to meet the debt service requirements. Millages should not be set so high as to create excessive reserves.

Corrective Action Taken

The board acknowledged that current cash reserves in the debt service fund are enough to accommodate for the future debt service increases and has reduced the bond millage for the 2018 tax roll from 3.00 mills to 1.55 mills.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Prior Year Findings
December 31, 2019

Section I – Internal Control and Compliance Material to the Financial Statements
(continued):

Ref. No.

1218-02

Description of Finding

Inadequate Segregation of Duties – Internal Control Material Weakness

The size of the Lafourche Parish Fire Protection District No. 6's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Corrective Action Taken

No action taken. This is a common deficiency noted in audits of small entities. The District's office does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

Therefore, this deficiency cannot be remedied in a cost effective manner.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Prior Year Findings
December 31, 2019

Section I – Internal Control and Compliance Material to the Financial Statements
(continued):

Ref. No.

1218-03

Description of Finding

Inadequate Controls over Financial Statement Preparation – Internal Control Material Weakness

A material weakness exists in financial reporting because the district does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Corrective Action Taken

No action taken. Management has evaluated the cost versus benefit of hiring a person who has the qualifications and training to apply generally accepted accounting principles in the preparation of financial statements. Management has determined that it is in the best interest of the district at this time, to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them. Management understands that it accepts final responsibility for the financial statements content and presentation.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Findings & Corrective Action Plan
December 31, 2019

Section I – Internal Control and Compliance Material to the Financial Statements:

Ref. No.

1219-01

Description of Finding

Inadequate Segregation of Duties – Internal Control Material Weakness

The size of the Lafourche Parish Fire Protection District No. 6's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Corrective Action Planned

This is a common deficiency noted in audits of small entities. The District's office does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

Therefore, this deficiency cannot be remedied in a cost effective manner.

Name of Contact Person

Andrew Robertson, President

Anticipated Completion Date

None

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana

Schedule of Findings & Corrective Action Plan
December 31, 2019

Section I – Internal Control and Compliance Material to the Financial Statements
(continued):

Ref. No.

1219-02

Description of Finding

Inadequate Controls over Financial Statement Preparation – Internal Control Material Weakness

A material weakness exists in financial reporting because the district does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Corrective Action Plan

Management has evaluated the cost versus benefit of hiring a person who has the qualifications and training to apply generally accepted accounting principles in the preparation of financial statements. Management has determined that it is in the best interest of the district at this time, to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them. Management understands that it accepts final responsibility for the financial statements content and presentation.

Name of Contact Person

Andrew Robertson, President

Anticipated Completion Date

None

Independent Accountant's Report on Applying Agreed-Upon Procedures

To The Board of Commissioners
Lafourche Parish Fire Protection District No. 6
Component Unit of the Lafourche Parish Government
Thibodaux, Louisiana 70301

We have performed the procedures enumerated below, which were agreed to by Any Parish Drainage District and the Louisiana Legislative Auditor (the specified parties), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended [date], as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

Findings:

There were no purchases for materials and supplies exceeding \$30,000 or public works exceeding \$157,700 made during the fiscal year.

Code of Ethics for Public Officials and Public Employees

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

Findings:

Management provided us with the requested information.

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

The District has no paid employees during the fiscal year.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

Not applicable.

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

Not applicable.

Budgeting

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

Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year.

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

We traced adoption of the original budget to documentation in the minutes of the meeting of the District's board members. Management represented that there were no amendments to the budget during the year.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. No exceptions noted.

Accounting and Reporting

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

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

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

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

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

All disbursements were approved in accordance with management's policies and procedures.

Meetings

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

Management represented that the District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than an unmarked copy of the notices and agendas.

Debt

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

We scanned copies of all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

The District has no employees during the fiscal year.

State Audit Law

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

The District provided for a timely report in accordance with R.S. 24:513.

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

The District complied with R.S. 24:513.

The District did not enter any contracts that utilized state funds during the fiscal year.

Prior-Year Comments

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

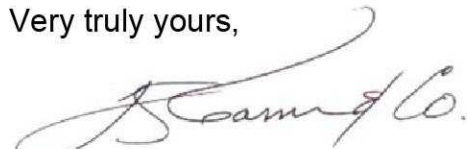
The prior year finding on noncompliance with state laws on bond millages has been resolved. The District exceeded the amount necessary to fund current debt service on its general obligation bonds and its cash reserves equaled 2-3 years of debt service. The District reduced the bond millage from 3.00 mills to 1.5 mills.

The prior year findings on inadequate segregation of duties and inadequate controls over financial statement preparation still stands. Due to the entities size, this deficiency cannot be remedied in a cost-effective manner.

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

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

Very truly yours,



T.S. Kearns & Co., CPA
June 17, 2020

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)**

6/5/2020

T.S. Kearns & Co., CPA

164 West Main Street

Thibodaux, Louisiana 70301

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No []

Debt

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

Yes [] No []

Advances and Bonuses

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

Yes [] No []

Prior-Year Comments

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

Yes [] No []

General

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

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

Buffy Borne Secretary 6/8/2020 Date

Michelle Chaudhry Treasurer 6/8/2020 Date

Andrew Robertson President 6/8/2020 Date