

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Annual Financial Report
As of and for the
Year Ended December 31, 2020

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Annual Financial Report
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Bayou Cane Fire Protection District, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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. 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Bayou Cane Fire Protection District, 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 4 through 8, the Budgetary Comparison Schedule – General Fund on page 30, the Schedule of Employer's Share of Net Pension Liability on page 31, and the Schedule of Employer Contributions on page 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

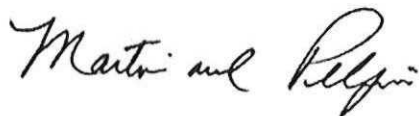
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bayou Cane Fire Protection District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to District Head on page 33 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to District Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Compensation, Benefits, and Other Payments to District Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of 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 District's internal control over financial reporting and compliance.



Houma, Louisiana
June 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2020

As management of the Bayou Cane Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2020.

FINANCIAL HIGHLIGHTS

- Bayou Cane Fire Protection District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2,227,816 (net position) as of December 31, 2020.
- Revenues exceeded expenditures by \$462,679 during the year.
- The District received federal funds totaling \$95,283.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's financial statements. The Bayou Cane Fire Protection District's financial statements consist of the following:

Statement of Net Position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Statement of Activities. Consistent with the full accrual basis of accounting method, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

Balance Sheet – Governmental Fund – General Fund. This statement presents the District's assets, liabilities, and fund balance for its general fund only.

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – General Fund. Consistent with the modified accrual basis of accounting method, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in fund balance.

Notes to the Financial Statements. The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2020

BASIC FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,227,816 at the close of the most recent year, December 31, 2020. The largest portions of the District's total assets are ad valorem taxes receivable (37%), cash and cash equivalents (35%), and capital assets, net of accumulated depreciation (27%).

The District's Net Position

	December 31,	
	2020	2019
ASSETS		
Current assets	\$ 9,793,560	\$ 8,986,493
Capital assets, net of accumulated depreciation	3,568,085	3,857,344
TOTAL ASSETS	13,361,645	12,843,837
DEFERRED OUTFLOWS OF RESOURCES	1,687,748	1,328,457
LIABILITIES		
Current liabilities	330,929	464,560
Long-term liabilities	6,417,104	6,202,750
TOTAL LIABILITIES	6,748,033	6,667,310
DEFERRED INFLOWS OF RESOURCES		
Ad valorem taxes revenue	5,332,887	5,112,477
Pension-related	740,657	627,370
TOTAL DEFERRED INFLOWS OF RESOURCES	6,073,544	5,739,847
NET POSITION		
Net investment in capital assets	3,135,667	3,286,126
Unrestricted	(907,851)	(1,520,989)
TOTAL NET POSITION	\$ 2,227,816	\$ 1,765,137

Total assets plus deferred outflows of resources increased by \$877,099, and total liabilities plus deferred inflows of resources increased by \$414,420. The increase in assets and deferred outflows of resources is primarily due to the increases of \$554,454 in ad valorem taxes receivable and \$359,291 in deferred outflows. The increase in liabilities and deferred inflows of resources is due to the increases of \$321,421 in the net pension liability and \$220,410 in deferred ad valorem taxes revenue.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2020

During the year, the District's net position increased by \$462,679. The elements of the increase are as follows:

The District's Changes in Net Position

	For the Year Ended December 31,	
	2020	2019
REVENUES		
Taxes	\$ 4,983,839	\$ 4,728,912
Other	1,020,704	1,107,386
State supplemental pay	241,000	268,883
State revenue sharing	147,584	133,500
Governmental grants	95,283	-
TOTAL REVENUES	6,488,410	6,238,681
EXPENSES		
Public safety - fire protection		
Personnel services	4,872,093	5,045,696
Other services and charges	333,226	297,651
Supplies and maintenance	293,441	279,744
Professional fees	69,194	80,065
Training and travel	31,777	53,724
Depreciation	412,312	418,346
Interest expense	13,688	16,914
TOTAL EXPENSES	6,025,731	6,192,140
GAIN ON DISPOSAL OF CAPITAL ASSETS	-	29,023
CHANGE IN NET POSITION	462,679	75,564
NET POSITION - BEGINNING	1,765,137	1,689,573
NET POSITION - ENDING	\$ 2,227,816	\$ 1,765,137

As indicated above, net position increased by \$462,679 in 2020, which indicates revenues were sufficient to cover expenses incurred during the year. The increase in change in net position from 2019 to 2020 is primarily due to the increases in taxes and governmental grants.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2020

CAPITAL ASSETS

As of December 31, 2020, the District had \$3,857,344 invested in capital assets as follows:

	<u>2020</u>	<u>2019</u>
Capital assets	\$ 7,894,481	\$ 7,771,428
Less accumulated depreciation	(4,326,396)	(3,914,084)
	<u>\$ 3,568,085</u>	<u>\$ 3,857,344</u>

Capital assets consist of land, buildings, building improvements, equipment, and vehicles. Depreciation expense for the year is \$412,312.

CAPITAL LEASE OBLIGATION

The capital lease obligation for fire truck purchases is recorded as a liability. The total amount of principal paid on this capital lease obligation was \$138,799.

More detailed information about the District's capital lease obligation is presented in Note 4 of the financial statements.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS AND ACTUAL RESULTS

The District's annual budget is adopted on a modified accrual basis of accounting excluding certain noncash items, such as depreciation. The District amended its budget once during the year. Total budgeted revenues decreased by \$300,000 from the original amount. Total budgeted expenditures decreased by \$215,000 from the original amount.

The District's actual revenues were more than the budgeted revenues by \$595,160, a favorable variance of 11.77%. The District's actual expenditures were less than the budgeted expenditures by \$452,513, a favorable variance of 8.41%.

INCIDENTS AND CALLS

The community which is served by Bayou Cane Fire Protection District continues to grow and expand. The demand for public services such as Fire Suppression, Rescue, and EMS remains steady.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2020

INCIDENTS AND CALLS (Cont.)

The following is a summary of the calls responded to, by type, for the last three years:

Type of Call	2020	2019	2018
Rescue and EMS	982	1,041	1,179
Fire	459	427	452
Hazardous condition (no fire)	77	89	70
Other	30	-	-
Public service assistance	24	-	-
Explosion, overhead (no fire)	7	25	2
Severe weather and natural disaster	7	16	-
Service call	-	77	60
Total	<u>1,586</u>	<u>1,675</u>	<u>1,763</u>
Increase or decrease from prior year	-5.31%	-4.99%	4.65%

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with such an interest. If you should have any further questions concerning any of the information provided in this report or have a request for additional financial information, please direct your inquiries to:

Mr. Kenneth P. Himel, Jr., Fire Chief
6166 West Main Street
Houma, Louisiana 70360
Phone number (985) 580-7230

FINANCIAL STATEMENTS

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Statement of Net Position
December 31, 2020

	Government Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,624,430
Investments - unrestricted	79,703
Investments - restricted	14,018
Accounts receivable	525
Ad valorem taxes receivable	5,005,561
Prepaid items	69,323
Total current assets	<u>9,793,560</u>
Capital assets, net of accumulated depreciation of \$4,326,396	<u>3,568,085</u>
TOTAL ASSETS	<u>13,361,645</u>
DEFERRED OUTFLOWS OF RESOURCES - PENSION RELATED	<u>1,687,748</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>15,049,393</u>
LIABILITIES	
Current liabilities:	
Salaries and benefits payable	135,290
Accounts payable	40,409
Current portion of capital lease obligation	142,101
Accounts held in escrow - protest taxes	13,129
Total current liabilities	<u>330,929</u>
Noncurrent liabilities:	
Long-term portion of capital lease obligation	290,317
Net pension liability	5,976,264
Compensated absences	150,523
Total noncurrent liabilities	<u>6,417,104</u>
TOTAL LIABILITIES	<u>6,748,033</u>
DEFERRED INFLOWS OF RESOURCES	
Ad valorem taxes revenue	5,332,887
Pension-related	740,657
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>6,073,544</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>12,821,577</u>
NET POSITION	
Net investment in capital assets	3,135,667
Unrestricted	<u>(907,851)</u>
TOTAL NET POSITION	<u><u>\$ 2,227,816</u></u>

See accompanying notes.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Statement of Activities
Year Ended December 31, 2020

REVENUES

Taxes:

Ad valorem	\$ 4,893,927
2% fire insurance	89,912

Intergovernmental:

State supplemental pay	241,000
State revenue sharing	147,584
Governmental grants	<u>95,283</u>

TOTAL REVENUES	<u><u>5,467,706</u></u>
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EXPENDITURES

Public safety - fire protection

Personnel services	4,872,093
Other services and charges	333,226
Supplies and maintenance	293,441
Professional fees	69,194
Training and travel	31,777
Depreciation	<u>412,312</u>

TOTAL EXPENDITURES	<u><u>6,012,043</u></u>
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GENERAL REVENUES

Pension-related	838,802
Other	<u>181,902</u>

TOTAL GENERAL REVENUES	<u><u>1,020,704</u></u>
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OTHER EXPENSE

Interest expense	<u>(13,688)</u>
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CHANGE IN NET POSITION	462,679
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NET POSITION - Beginning	<u>1,765,137</u>
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NET POSITION - Ending	<u><u>\$ 2,227,816</u></u>
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See accompanying notes.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Balance Sheet
Governmental Fund Type – General Fund
December 31, 2020

ASSETS

Cash and cash equivalents	\$ 4,624,430
Investments - unrestricted	79,703
Investments - restricted	14,018
Accounts receivable	525
Ad valorem taxes receivable	5,005,561
Prepaid expenses	69,323

TOTAL ASSETS	\$ 9,793,560
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LIABILITIES

Salaries and benefits payable	\$ 135,290
Accounts payable	40,409
Accounts held in escrow - protest taxes	13,129

TOTAL LIABILITIES	188,828
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DEFERRED INFLOWS OF RESOURCES

Ad valorem taxes revenue	5,332,887
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FUND BALANCE

Nonspendable	69,323
Restricted	14,018
Unassigned	4,188,504

TOTAL FUND BALANCE	4,271,845
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**TOTAL LIABILITIES, DEFERRED
INFLOWS OF RESOURCES,
AND FUND BALANCE**

\$ 9,793,560

See accompanying notes.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

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

REVENUES

Taxes:

Ad valorem	\$ 4,893,927
2% fire insurance	89,912

Intergovernmental:

State supplemental pay	241,000
State revenue sharing	147,584
Governmental grants	<u>95,283</u>

TOTAL REVENUES	<u>5,467,706</u>
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EXPENDITURES

Public safety - fire protection

Personnel services	3,922,839
Other services and charges	333,226
Supplies and maintenance	293,441
Professional fees	69,194
Training and travel	31,777

Capital outlay	123,053
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Debt Service

Principal	138,799
Interest	<u>13,689</u>

TOTAL EXPENDITURES	<u>4,926,018</u>
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EXCESS OF REVENUES OVER EXPENDITURES	541,688
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GENERAL REVENUES

Other	<u>181,902</u>
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CHANGE IN FUND BALANCE	723,590
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FUND BALANCE

Beginning of year	<u>3,548,255</u>
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End of year	<u><u>\$ 4,271,845</u></u>
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See accompanying notes.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Reconciliation of the Balance Sheet of the Governmental
Fund to the Statement of Net Position
December 31, 2020

Fund Balance - governmental fund	\$ 4,271,845
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets of \$7,894,481, net of accumulated depreciation of \$4,326,396, are not financial resources and, therefore, are not reported in the fund.	3,568,085
Deferred outflows of resources related to net pension liability are not available resources, and therefore, are not reported in the fund.	1,687,748
Current portion of \$142,101 and long-term portion of \$290,317 of capital lease obligation are not financial resources and are therefore not reported in the fund.	(432,418)
Deferred inflows of resources related to net pension liability are not payable from current expendable resources, and therefore, are not reported in the fund.	(740,657)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.	
Net pension liability	(5,976,264)
Compensated absences	(150,523)
Total net position of governmental activities	<u>\$ 2,227,816</u>

See accompanying notes.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance – Governmental Fund to the
Statement of Activities
Year Ended December 31, 2020

Change in fund balance - governmental fund	\$	723,590
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental fund reports capital outlays as expenditures, whereas in the Statement of Activities, these costs are depreciated over their estimated useful lives.

Depreciation expense	(412,312)		
Capital outlays	<u>123,053</u>		(289,259)

Governmental fund reports debt incurrence as an other financing source and debt repayments as an expenditure, whereas these are not presented on the Statement of Activities.

Principal payments		138,799
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Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:

Increase in pension expense		(75,416)
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Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the Statement of Activities, compensated absences are expensed as they are accrued. This is the change in the compensated absences liability for 2020.

		<u>(35,035)</u>
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Change in net position of governmental activities	\$	<u><u>462,679</u></u>
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See accompanying notes.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bayou Cane Fire Protection District (the District) was created by the Terrebonne Parish Consolidated Government (the Parish) by Ordinance No. 5732, dated February 7, 1997, pursuant to Louisiana Revised Statutes 40:1493 and 40:1494. The District is governed by a board of seven commissioners appointed by the Parish Council. The District provides fire protection and related services and facilities in Terrebonne Parish within the boundaries established by the ordinance. It covers an area of over 32 square miles and a resident population of approximately 37,000.

The Bayou Cane Fire Protection District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the District's accounting policies are described below.

A. REPORTING ENTITY

Because the Parish Council appoints the governing board and thusly can impose its will, the Bayou Cane Fire Protection District was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the Parish and the governmental body with financial accountability. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

B. METHOD OF ACCOUNTING

GASB statements established standards for external financial reporting for all state and local governmental entities which includes a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Commissioners must vote on commitments.

Assigned – This component of fund balance is intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Stabilization funds – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

The basic financial statements of the District are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

C. FUND TYPES

The District reports the following fund type:

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds.

The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements 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 balance 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 operations.

The amounts reflected in the fund financial statements 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 sixty days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements 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 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 Non-exchange Transactions*.

E. CASH AND CASH EQUIVALENTS

The District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

F. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

The District's primary revenue source, ad valorem taxes, becomes delinquent if not paid by January 1st following the year of assessment. Unpaid taxes attach as an enforceable lien on property. The Board of Commissioners determined, based on prior historical information, that uncollectible receivables are immaterial to the District's financial statements.

G. CAPITAL ASSETS

Capital assets, consisting of land, buildings, building improvements, and equipment are presented on the Statement of Net Position. Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair value on the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings improvements	5 - 40 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 20 years

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

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

H. COMPENSATED ABSENCES

Annual leave is recorded as an expenditure of the period in which paid. Employees of the District can earn between 18 and 30 days per year of annual leave, depending upon length of service. Leave is awarded on the employee's anniversary date and must be taken during that year. It cannot be carried forward to the next year. Unused annual leave is due to the employee at the time of termination at an "hour-for-hour" rate. Accumulated leave as of the end of the year is valued using employees' current rates of pay, and the liability is recorded in the Statement of Net Position. As of December 31, 2020, compensated absences payable to employees totaled \$150,523.

In accordance with Louisiana State Revised Statute 33:1995, every firefighter shall be entitled to full pay during sickness for a period of not less than fifty-two weeks. However, this amount is not accrued and not payable upon termination.

I. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates of the District primarily relate to capital assets' useful lives.

J. OPERATING BUDGETARY DATA

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted 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 that are not expended or obligated through contracts lapse at year-end. The budget was amended once during the year.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

K. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in the fund general ledgers, is not utilized by the District.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

L. RECENT PRONOUNCEMENT

Statement No. 87, "Leases", increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States.

State law requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

As of December 31, 2020, the District has deposits as follows:

	<u>Bank Balances</u>	<u>Reported Balances</u>
Cash and cash equivalents	\$ 4,684,416	\$ 4,624,430
Certificates of deposit	93,721	93,721
Totals	<u>\$ 4,778,137</u>	<u>\$ 4,718,151</u>

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy for custodial credit risk. As of December 31, 2020, \$4,198,407 of the District's bank balance was exposed to credit risk. These were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

As of December 31, 2020, bank deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers the securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Certificates of deposit on account with banks total \$93,721, \$14,018 of which are restricted, held in escrow, for protest taxes paid. The District is required to hold these funds in escrow pending resolution of the protest, and they are shown as restricted assets in the General Fund. Because these certificates of deposit have maturities in excess of 90 days, they are presented as Investments in the financial statements.

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Reported amount of deposits	\$ 4,718,151
Reported amount of investments	<u>-</u>
Total	<u>\$ 4,718,151</u>
Cash and cash equivalents	\$ 4,624,430
Investments	<u>93,721</u>
Total	<u>\$ 4,718,151</u>

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 3 – CAPITAL ASSETS

Capital assets are valued at historical cost. Depreciation of all capital assets is calculated over the estimated useful lives using the straight-line method (five to forty years). Capital asset activity for the year ended December 31, 2020 was as follows:

<u>Governmental Activities</u>	<u>January 1, 2020</u>	<u>Additions</u>	<u>Deletions/ Reclassifications</u>	<u>December 31, 2020</u>
Capital assets not being depreciated:				
Land	\$ 385,000	\$ -	\$ -	\$ 385,000
Construction in progress	86,880	-	(86,880)	-
	<u>471,880</u>	<u>-</u>	<u>(86,880)</u>	<u>385,000</u>
Capital assets being depreciated:				
Buildings and improvements	1,983,136	134,370	-	2,117,506
Vehicles	3,558,293	37,572	-	3,595,865
Furniture and equipment	1,758,119	37,991	-	1,796,110
Total capital assets being depreciated	<u>7,299,548</u>	<u>209,933</u>	<u>-</u>	<u>7,509,481</u>
Less accumulated depreciation for:				
Buildings and improvements	(824,280)	(64,173)	-	(888,453)
Vehicles	(2,035,124)	(216,412)	-	(2,251,536)
Furniture and equipment	(1,054,680)	(131,727)	-	(1,186,407)
Total accumulated depreciation	<u>(3,914,084)</u>	<u>(412,312)</u>	<u>-</u>	<u>(4,326,396)</u>
Total capital assets being depreciated, net	<u>3,385,464</u>	<u>(202,379)</u>	<u>-</u>	<u>3,183,085</u>
Total capital assets, net of depreciation	<u>\$ 3,857,344</u>	<u>\$ (202,379)</u>	<u>\$ (86,880)</u>	<u>\$ 3,568,085</u>

NOTE 4 – CAPITAL LEASE OBLIGATION

In 2015, the District entered into an eight-year capital lease agreement with a third party for the purchase of two fire trucks. The lease contains a one dollar buy-out provision and bears interest at 2.38%. Yearly principal and interest payments of \$152,487 are due with the final payment due on February 1, 2023. The fire trucks acquired have been provided as collateral for the lease.

Assets acquired under the capital lease as of December 31, 2020 include the following:

Fire trucks	\$ 1,390,144
Less accumulated depreciation	<u>(388,082)</u>
Net	<u>\$ 1,002,062</u>

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 4 – CAPITAL LEASE OBLIGATION (Cont.)

A summary of the long-term debt obligation of the District for the year ended December 31, 2020 is as follows:

Balance January 1, 2020	Debt Incurred	Principal Paid	Balance December 31, 2020	Due Within One Year
\$571,217	\$ -	\$ 138,799	\$432,418	\$142,101

The annual principal and interest requirements on the capital lease obligation as of December 31, 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 142,101	\$ 10,386	\$ 152,487
2022	145,482	7,005	152,487
2023	144,835	3,544	148,379
	<u>\$ 432,418</u>	<u>\$ 20,935</u>	<u>\$ 453,353</u>

NOTE 5 – AD VALOREM TAXES

Ad valorem taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. Taxes are due and payable December 31, with interest being charged on payments after January 1.

Any unpaid taxes are collected in connection with an auction held in June.

The voters of Bayou Cane Community approved the current millage rate for fire protection. The District levied 20 of the authorized 20 mills for 2020. These taxes and related state revenue sharing were budgeted for the year ended December 31, 2021 and were included as deferred inflows of resources on the Statement of Net Position as of December 31, 2020. The tax is collected by the Parish Sheriff's Office and remitted to the District.

NOTE 6 – ON-BEHALF PAYMENTS FOR SALARIES

Supplemental salary payments are made by the state to certain eligible full-time employees of the District, in addition to the compensation they receive from the District. The amount of the supplemental pay is determined by State Law and is revised periodically. For 2020, the state paid supplemental salaries for the employees of the District in the amount of \$241,000. These intergovernmental funds are reflected in the financial statements of the District for the year ended December 31, 2020.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 7 – PENSION PLAN

Firefighters' Retirement System (System)

Plan Description: The Firefighters' Retirement System is a cost-sharing multiple-employer defined benefit pension plan established by Act 434 of 1979 to provide retirement, disability, and death benefits to firefighters in Louisiana.

Eligibility Requirements: Membership in the System is a condition of employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

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

Retirement Benefits: Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. Members of the System with 20 or more years of service who have attained age 50, or members who have 12 years of service who have attained age 55, or 25 years of service at any age shall be entitled to retire from service.

Upon such retirement, the member shall be paid an annual retirement allowance equal to three and one-third percent of average final compensation multiplied by total years of creditable service. However, the annual retirement allowance shall not exceed one hundred percent of average final compensation.

Deferred Retirement Option Plan (DROP): After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 7 – PENSION PLAN (Cont.)

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

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

Employer Contributions: Employer contributions are actuarially-determined each year. For the year ended June 30, 2020, employer and employee contribution rates for members above the poverty line were 27.75% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 29.75% and 8.00%, respectively.

Non-Employer Contribution: The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study.

Non-employer contributions are recognized as revenue during the year ended June 30, 2020 and were excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2020 was \$28,017,672.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: As of December 31, 2020, the District reported liabilities in its government-wide financial statements of \$5,976,264 in its governmental activities for its proportionate share of the net pension liabilities of the System. The net pension liabilities were measured as of June 30, 2020, and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation performed of the retirement system as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially-determined. As of June 30, 2020, the District's proportionate share of the System was 0.862183%, which was a decrease of 0.040871% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the District recognized a pension expense of \$968,229 in its governmental activities related to its participation in the System.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 7 – PENSION PLAN (Cont.)

As of December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 382,361
Changes in assumptions	577,716	-
Net difference between projected and actual investment earnings on pension plan investments	658,143	-
Changes in proportion	99,765	358,296
Employer contributions subsequent to the measurement date	<u>352,124</u>	<u>-</u>
	<u>\$ 1,687,748</u>	<u>\$ 740,657</u>

Deferred outflows of resources of \$352,124 related to pensions resulting from the District's contributions to the System subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>June 30,</u>	
2021	\$ 63,418
2022	218,148
2023	238,528
2024	110,796
2025	(17,380)
2026	<u>(18,543)</u>
	<u>\$ 594,967</u>

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2020 is as follows:

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 7 – PENSION PLAN (Cont.)

	<u>Firefighter's Retirement System</u>
Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Actuarial cost assumptions:	
Expected remaining service lives	7 years, closed period
Investment rate of return (Discount rate)	7.00% per annum (net of investment expenses)
Inflation rate	2.50% per annum
Salary increases	Vary from 14.75% in the first two years of service to 4.50% after 25 years
Cost of living adjustments	Only those previously granted

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

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

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially-determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 7 – PENSION PLAN (Cont.)

Sensitivity to Changes in Discount Rate: The following represents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate as of June 30, 2020.

Changes in Discount Rate: Firefighter's Retirement System			
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	<u>\$8,632,654</u>	<u>\$5,976,264</u>	<u>\$3,758,962</u>

Support of Non-Employer Contributing Entities: Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2020, the District recognized revenue as a result of support received from the non-employer contributing entities of \$241,564 for its participation in the System.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the System available at www.ffret.com.

NOTE 8 – COMPENSATION OF BOARD MEMBERS

Board members were not compensated for the year ended December 31, 2020.

NOTE 9 – GRANTS

During the year ended December 31, 2020, the District received \$64,663 in federal funding from the Federal Emergency Management Agency (FEMA) under the Staffing for Adequate Fire and Emergency Response (SAFER) Grant. The District has been approved for a total amount of \$278,027 during a three-year period.

During the year ended December 31, 2020, the District received \$22,042 in federal funding from FEMA due to the District's efforts in providing emergency protective measures during Hurricane Barry. The District was obligated this award on July 21, 2020.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 10 – CARES ACT MONEY

The District received \$8,578 of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding during the year ended December 31, 2020.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the District carries commercial insurance or other insurance for the losses to which it is exposed. No settlements were made during the year. The District's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure, and claims experience.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through June 25, 2021, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final	Amounts	
REVENUES				
Ad valorem tax	\$ 4,691,324	\$ 4,391,324	\$ 4,893,927	\$ 502,603
State supplemental pay	294,000	294,000	241,000	(53,000)
State revenue sharing	92,242	92,242	147,584	55,342
Interest and dividends	72,131	72,131	113,240	41,109
Governmental grants	112,714	112,714	95,283	(17,431)
Fire insurance 2% rebate	85,822	85,822	89,912	4,090
Other income	6,215	6,215	68,662	62,447
TOTAL REVENUES	5,354,448	5,054,448	5,649,608	595,160
EXPENDITURES				
Public safety				
Personnel services	4,216,365	4,216,365	3,922,839	293,526
Other services and charges	309,646	309,646	333,226	(23,580)
Supplies and maintenance	420,315	320,315	293,441	26,874
Professional fees	93,194	93,194	69,194	24,000
Training and travel	45,744	45,744	31,777	13,967
Capital outlay	354,780	239,780	123,053	116,727
Debt service	153,487	153,487	152,488	999
TOTAL EXPENDITURES	5,593,531	5,378,531	4,926,018	452,513
Net change in fund balance	(239,083)	(324,083)	723,590	1,047,673
FUND BALANCE				
Beginning of year	1,765,137	1,765,137	3,548,255	1,783,118
End of year	<u>\$ 1,526,054</u>	<u>\$ 1,441,054</u>	<u>\$ 4,271,845</u>	<u>\$ 2,830,791</u>

See independent auditor's report.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

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

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
2020	0.862183%	\$ 5,976,264	\$ 2,185,017	273.51%	72.61%
2019	0.903054%	5,654,843	2,203,079	256.68%	73.96%
2018	0.925338%	5,322,616	2,157,329	246.72%	74.76%
2017	0.923356%	5,292,537	2,004,048	264.09%	73.55%
2016	0.883172%	5,776,743	1,979,824	291.78%	68.16%
2015	0.933295%	5,037,098	1,934,455	260.39%	72.45%

Notes to Schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditor's Report and Notes to Financial Statements.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Schedule of Employer Contributions
Year Ended December 31, 2020

<u>Year</u>	<u>Statutorily Required Contributions</u>	<u>Contributions in Relation to Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2020	\$ 610,285	\$ 610,285	-	\$ 2,199,226	27.75%
2019	579,030	579,030	-	2,185,017	26.50%
2018	583,816	583,816	-	2,203,079	26.50%
2017	544,726	544,726	-	2,157,329	25.25%
2016	546,103	546,103	-	2,004,048	27.25%
2015	579,099	579,099	-	1,979,824	29.25%

Notes to Schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditor's Report and Notes to Financial Statements.

OTHER INFORMATION

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Schedule of Compensation, Benefits, and Other Payments
to District Head
Year Ended December 31, 2020

Agency Head Name: Kenneth Himel, Jr., Fire Chief

Purpose	Amount
Salary	\$ 96,459
Benefits - retirement	31,108
Benefits - insurance	20,844
Travel	1,580
Benefits - cell phone	1,200
Car allowance/automobile expense	-
Cell phone	-
Conference travel	-
Registration fees	-
Membership fees	-
Deferred compensation	-
Reimbursements	-
Per diem	-
Service fees	-
Vehicle provided by government	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

This schedule is used to satisfy the reporting requirements of
R.S. 24:513(A)(3).

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

**Martin
and
Pellegrin**

*Certified public Accountants
(A Professional Corporation)*

103 Ramey Road
Houma, Louisiana 70360

Ph. (985) 851-3638
Fax (985) 851-3951

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Bayou Cane Fire Protection District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all

deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control over financial reporting 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Houma, Louisiana
June 25, 2021

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Schedule of Findings and Responses
Year Ended December 31, 2020

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Bayou Cane Fire Protection District.
2. No deficiencies in internal control over financial reporting were noted during the audit of the financial statements.
3. No instances of noncompliance required to be reported in accordance with *Government Auditing Standards* were noted during the audit.
4. A management letter was not issued.
5. The District received federal funds totaling \$95,283 during the year.

Section II – Financial Statement Findings

No findings related to the basic financial statements of the Bayou Cane Fire Protection District were noted during the audit.

Section III – Internal Control Findings

No findings related to the Bayou Cane Fire Protection District’s internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section IV – Federal Award Findings and Questioned Costs

This section is not applicable.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Corrective Action Plan for Current Year Findings
Year Ended December 31, 2020

The contact person for all corrective actions noted below is Mr. Kenneth Himel, Jr., Fire Chief.

Section I – Internal Control and Compliance

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Schedule of Prior Findings and Responses
Year Ended December 31, 2020

Note: All prior findings relate to the December 31, 2019 audit engagement.

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

Under Collateralization of Cash Deposits

Condition: The District's cash deposits were under collateralized at one of its financial institutions in February 2019.

Recommendation: The management of the District should contact its fiscal agent when a significant deposit is to be made to ensure that deposits are fully collateralized at all times. As the fiscal agent monitors deposits versus collateralization only at the beginning of each month, management should adopt procedures whereby the monitoring of cash deposits, and related collateral, are more frequently performed to ensure that cash deposits are fully collateralized at all times.

Status: Resolved.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.