

LAFOURCHE PARISH
Fire Protection District No. 2

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION

(WITH INDEPENDENT ACCOUNTANT'S
REVIEW REPORT THEREON)

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2019

LAFOURCHE PARISH
Fire Protection District No. 2
As of and for the Year Ended December 31, 2019

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LAFOURCHE PARISH Fire Protection District No. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

This discussion and analysis of Lafourche Parish Fire Protection District No. 2's (the District) financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

The basic financial statements provide these insights into the results of this year's operations:

- Net position of our governmental activities increased by \$42,355 or approximately 1.9% as a result of this year's operations.
- Total expenses for program activities were \$348,052. General revenues from property taxes collected and investment earnings of \$412,525 resulted in an increase in net position of \$42,355.
- The cost of all of the programs increased by \$67,202, or approximately 24%. Major contributors to this increase were maintenance and professional services.
- The governmental funds reported a total ending fund balance of \$1,150,860 an increase of \$159,305 from the prior year. An adjustment was made to the beginning fund balance to correct an error in recording ad valorem taxes in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) – The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Government-Wide Financial Statements (GWFS)

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position and changes in them. You can think of the net position—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in the net position are one indicator of whether its financial health is improving or deteriorating.

LAFOURCHE PARISH Fire Protection District No. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

The Statement of Net Position and the Statement of Activities report governmental activities. Most of the basic fire protection services are reported as this type.

Fund Financial Statements (FFS)

The Fund Financial Statements provide detailed information about the most significant funds—not the operations as a whole.

The District utilizes the governmental type of fund with the following accounting approach. Most of the basic fire protection services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs.

We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations at the bottom and following the fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GWFS)

The Statement of Net Position and the Statement of Activities reports all governmental activities. All of the governmental activities are reported as this type. Our analysis below focuses on the net assets of the governmental-type activities:

	Condensed Statement of Net Position		Increase (Decrease)
	2018	2019	
Current and Other Assets	\$ 1,015,086	\$ 1,153,018	\$ 137,932
Capital Assets	1,163,927	1,069,095	(94,832)
Total Assets	2,179,013	2,222,113	43,100
Current Liabilities	1,413	2,158	745
Net Invested in Capital Assets	1,163,927	1,069,095	(94,832)
Unrestricted	1,013,673	1,150,860	137,187
Total Net Position	\$ 2,177,600	\$ 2,219,955	\$ 42,355

LAFOURCHE PARISH Fire Protection District No. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

As a result of this year's operations, net position increased by \$42,355. Current assets – mainly cash and investments increased by over \$160,000 or 25%. The balance in net position of \$2,219,955 represents the accumulated results of all past years' operations. Of that balance, \$1,069,095 or almost half is net invested in capital assets and is not available to spend.

	Condensed Statement of Activities		Increase (Decrease)
	2018	2019	
Program Expenses:			
Current	\$ 169,474	\$ 217,927	\$ 48,453
Depreciation - unallocated	111,376	130,125	18,749
Total program expenses	280,850	348,052	67,202
General revenues	384,562	412,525	5,845
Change in Net Position	103,712	64,473	(61,357)
Net Position:			
Beginning of the year, restated	2,073,888	2,155,482	103,712
End of the year	\$ 2,177,600	\$ 2,219,955	\$ 42,355

The total revenues for the year in governmental activities were \$412,525 (all in general revenues), an increase of \$27,963 or 6.8%. The total cost of all fire protection services was \$348,052, an increase from the prior year by \$67,202 or 24%.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FFS)

Funds are used to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into the overall financial health.

The General Fund reported an ending fund balance of \$1,150,860 all considered unassigned and available for future use. This reflects an increase of \$159,305 from the prior year.

The General Fund received \$348,122 in ad valorem taxes – an 8% increase from the prior year, and \$46,842 in intergovernmental revenues – a slight decrease from the prior year, \$17,481 in interest and \$80 in other income. The District spent \$217,927 in current expenditures such as operating services and materials and supplies, which was approximately 29% more than these expenditures from the prior year. Capital outlay of \$37,293 added to the current expenditures resulted in total expenditures of \$253,220 in the General Fund.

LAFOURCHE PARISH Fire Protection District No. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

The District began the year with \$1,013,673 in available fund balance and ended the year with \$1,150,860 in unassigned available fund balance after an increase in fund balance of \$137,187. An adjustment of \$22,118, was made to restate the beginning fund balance to correct an error in recording ad valorem taxes in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year as follows:

Original Budgeted Revenues	\$343,550
Amendments were made for:	
Increased Ad Valorem taxes received	61,724
Increased Intergovernmental revenue	4,137
Increased interest and other	5,327
Total revenue amendments	71,188
Amended Budgeted Revenues	\$414,738
Original Budgeted Expenditures	\$257,400
Amendments were made for:	
Increased current expenditures	\$4,976
Decreased Capital Outlay	(4,707)
Total expenditure amendments	269
Amended Budgeted Expenditures	\$257,669

All budget variances were favorable and in compliance with the Louisiana Local Budget Act.

CAPITAL ASSETS

The summary of investment in capital assets and depreciation, for governmental activities follows:

	2019	2018
Land	\$ 2,600	\$ 2,600
Buildings	53,200	53,200
Trucks	2,009,678	2,009,678
Equipment	307,828	272,535

LAFOURCHE PARISH Fire Protection District No. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2019

Total Cost	2,373,306	2,338,013	
Accumulated Depreciation	1,304,211	1,174,086	
Net Capital Assets	<u>\$ 1,069,095</u>	<u>\$ 1,163,927</u>	
Depreciation Expense	<u>\$ 130,125</u>	<u>\$ 111,376</u>	

This year there were \$35,293 in additions and no deletions to the capital asset list. More detailed information about the capital assets is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Among the factors considered in compiling the 2020 budget were:

1. projects and purchases anticipated
2. new laws and regulations enacted that would apply to the upcoming year
3. new revenue sources or expenditures not previously encountered.

Highlights of next year's adopted budget for the general fund include:

Projected Revenue	\$358,860
Projected Expenditures	(622,300)
	\$ (263,440)

The beginning estimated fund balance of \$1,000,000 is sufficient to cover the expected loss for the year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Mr. Gerard Leonard, Secretary-Treasurer
Lafourche Parish Fire Protection District No. 2,
P.O. Box 337
Lockport, LA 70374

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners
Lafourche Parish Fire Protection District No. 2
Lockport, LA

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 2, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprises the basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to managements' financial data and making inquiries of the 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 on the Financial Statements

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

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 AICPA. 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.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated May 19, 2020 on the results of our agreed-upon procedures.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Other Information

The other information included in the accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on my 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.

Stagni & Company

May 19, 2020
Thibodaux, LA



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

Statement of Net Position

December 31, 2019

ASSETS

Cash and cash equivalents	\$	126,735
Investments		702,925
Taxes Receivable		55,186
Due from other government - ad valorem taxes		257,940
Due from other governments - revenue sharing		10,232
Capital assets, net of depreciation		1,069,095
Total assets		<u>2,222,113</u>

LIABILITIES

Accounts Payable		<u>2,158</u>
Total current liabilities		<u>2,158</u>

NET POSITION

Net Investment in capital assets		1,069,095
Unrestricted		1,150,860
Total net position	\$	<u>2,219,955</u>

See notes to the financial statements and independent accountant's review report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

Statement of Activities

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants & Contributions	
General government - current	\$ 11,034	\$ -	\$ -	\$ (11,034)
Public Safety - Fire Protection				
Maintenance	91,373	-	-	(91,373)
Supplies & Training	19,762	-	-	(19,762)
Utilities	15,415	-	-	(15,415)
Fuel	6,093	-	-	(6,093)
General & Administration	54,787	-	-	(54,787)
Depreciation	130,125	-	-	(130,125)
Other	19,463	-	-	(19,463)
Total governmental activities:	<u>\$ 348,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(348,052)</u>
General revenues:				
Ad Valorem Taxes				348,122
Intergovernmental revenues				
State revenue sharing				10,232
State fire insurance rebate				36,610
Interest				17,481
Other				80
			Total general revenues	<u>412,525</u>
Change in net position				<u>64,473</u>
Net Position :				
			Beginning, restated	<u>2,155,482</u>
			Ending	<u><u>\$ 2,219,955</u></u>

See notes to the financial statements and independent accountant's review report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

Balance Sheet - Governmental Funds

December 31, 2019

ASSETS

Cash	\$	126,735
Investments		702,925
Taxes receivable		55,186
Due from other governments		
Ad Valorem Tax		257,940
Louisiana Revenue Sharing		10,232
Total assets	\$	<u>1,153,018</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$	<u>2,158</u>
Total liabilities		<u>2,158</u>

FUND BALANCES

Unassigned		<u>1,150,860</u>
Total fund balances		<u>1,150,860</u>

RECONCILIATION TO STATEMENT OF NET ASSETS:

Captial assets used in governmental activities are not financial resources and therefore are not reported in the funds.		<u>1,069,095</u>
	\$	<u>2,219,955</u>

See notes to the financial statements and independent accountant's review report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2019

	<u>General</u>
REVENUES	
Ad Valorem Taxes	\$ 348,122
Intergovernmental - State	
Revenue Sharing	10,232
Insurance Rebate	36,610
Interest earned	17,481
Other Income	80
Total Revenues	<u>412,525</u>
 EXPENDITURES	
General government - current	
Ad Valorem tax deductions	11,034
Public Safety - current:	
Operating Services	181,038
Materials and Supplies	25,855
Total current expenditures	<u>217,927</u>
Capital outlay	<u>35,293</u>
Total expenditures	<u>253,220</u>
 NET CHANGE IN FUND BALANCES	 159,305
 FUND BALANCES	
Beginning of year, restated	991,555
Ending of year	<u>\$ 1,150,860</u>
 Net change in fund balances - total governmental funds	 \$ 159,305
 RECONCILIATION TO STATEMENT OF ACTIVITIES:	
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Asset purchases	\$ 35,293
Depreciation	<u>(130,125)</u>
	(94,832)
 Change in net assets of governmental activities	 <u>\$ 64,473</u>

See notes to the financial statements and independent accountant's review report.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

The Lafourche Parish Fire Protection District No. 2 (the District) operates under provisions of the Louisiana Revised Statutes and local ordinances established by the Lafourche Parish Council. 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 have been prepared in conformity with governmental accounting principles generally 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, for reporting purposes, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Lafourche Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Based on criterion applied, the District is a component unit of the Lafourche Parish Council. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Council, the general government services provided by the Council, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (continued)

Government-Wide and Fund Financial Statements (continued)

In the government-wide Statement of Net Positions, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net assets are reported in three parts—net investment in capital assets; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the governmental activities. These functions are also supported by general government revenues (ad valorem taxes, intergovernmental revenues, interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants. This government-wide focus is more on the sustainability as an entity and the change in the net assets resulting from the current year's activities.

Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental Funds are those through which the governmental functions are financed. The acquisition, use, and balances of the 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 Governmental Fund is the General Fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Measurement Focus / Basis of Accounting*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are assessed. Other revenue is recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

The governmental 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund financial statements. 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 be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

- Ad valorem taxes and the insurance rebate are considered "measurable" at the time of availability since the timing of their collection coincides with the timing of the expenditures to be paid.
- Interest income on investments is recorded when the investments have matured and the income is available.
- Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.
- Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. *Budgets*

The District complies with the "Louisiana Local Government Budget Act" and henceforth, budgets are adopted for its governmental funds on a modified accrual basis that is consistent with generally accepted accounting principles.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets (continued)

Annual budgets are prepared by the Chief Executive Officer of the Board along with a budget message and presented to the Board for adoption no later than 15 days prior to the beginning of the fiscal year. Budgets are adopted for the fiscal year and lapse at a year-end. The budget is amended by supplemental appropriations as needed to during the year to comply with state law.

E. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the District may invest in United States bonds, treasury notes, or certificates. Investments are stated at cost.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

F. Capital Assets

Capital assets, which include land, improvements, stations and equipment, are reported in the government-wide financial statements. Capital assets purchased or acquired with an original cost of \$5,000 or more are capitalized at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

CATEGORY	LIFE
BUILDINGS	25-40 YEARS
FURNITURE & EQUIPMENT	5-7 YEARS
VEHICLES	10-20 YEARS

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Equity

For government-wide financial statements net assets are classified and displayed in three components:

- Net 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, if any.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “net invested in capital assets.”

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable fund balance cannot be spent because of its form.
- Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- Committed fund balance is a limitation imposed by the Board through approval in minutes.
- Assigned fund balances is a limitation imposed by a designee of the Board.
- Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

**LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Estimates

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

Note 2 DEPOSITS AND INVESTMENTS

Deposits:

A summary of deposits are listed as follows:

	Reported Amount	Bank Balance
Cash	\$126,735	\$129,465

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.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. All of the District's deposits are secured by FDIC insurance.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

**LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019**

Note 2 DEPOSITS AND INVESTMENTS (continued)

Investments:

Investments of \$702,925 include amounts invested in the Louisiana Asset Management Pool (LAMP), a state and local government investment pool. The investments in LAMP have an average maturity of 60 days or less. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana formed by an initiative of the State Treasurer in 1993. A board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's governs the corporation. These approved investments are carried at cost, which approximate market and may be liquidated as needed. This investment pool has not been assigned a risk category since the District is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool.

Note 3 AD VALOREM TAXES

Property taxes are levied each December 1 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 Commission at the percentages of actual value as specified by Louisiana law.

A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed on or around January 1, 2016. Taxes are due and payable December 31 with interest being charged on payments after January 1. 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 tax rate for the year ended December 31, 2019 was \$5.24 mills assessed valuation on property within Lafourche Parish Fire Protection District No. 2 for the purpose of public safety within the District.

Note 4 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 2019.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Note 5 CAPITAL ASSETS

Capital assets and depreciation activity for the year is as follows:

Governmental Activities:	12/31/18 Balance	Additions	Decreases	12/31/19 Balance
Capital assets, not being depreciated				
Land	\$2,600	-	-	\$2,600
Capital assets being depreciated				
Buildings	53,200	-	-	53,200
Trucks	2,009,678	-	-	2,009,678
Equipment	272,535	35,293	-	307,828
Total being depreciated	\$2,335,413	\$35,293	\$0	\$2,370,706
Total Assets	\$2,338,013			\$2,373,306

Less accumulated depreciation:

Buildings	\$14,975	\$1,555	-	\$16,530
Trucks	1,008,913	94,743	-	1,103,656
Equipment	150,198	33,827	-	184,025
Totals	\$1,174,086	\$130,125	\$-	\$1,304,211
Capital assets, net	\$1,163,927			\$1,069,095

Depreciation expense of \$130,125 for the year was charged to the governmental activities in the Statement of Activities.

Note 6 RESTATEMENT OF BEGINNING FUND BALANCE AND NET POSITION

An adjustment of \$22,118, was made to restate the beginning fund balance and net position to correct an error in recording ad valorem taxes in the prior year.

	Fund Balance	Net Position
Beginning	\$ 1,013,673	\$2,177,600
Restatement	(22,118)	(22,118)
Beginning, restated	\$ 991,555	\$2,155,482

***REQUIRED SUPPLEMENTARY
INFORMATION***

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2

Budget Comparison Schedule - General Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes - Ad Valorem	\$ 290,000	\$ 351,724	\$ 348,122	\$ (3,602)
Intergovernmental - State				
Revenue Sharing	6,700	10,227	10,232	5
Insurance Rebate	36,000	36,610	36,610	-
Use of money and property				
Interest earned	10,800	16,099	17,481	1,382
Other income	50	78	80	2
Total Revenues	<u>343,550</u>	<u>414,738</u>	<u>412,525</u>	<u>(2,213)</u>
EXPENDITURES				
General government - current:				
Ad Valorem Tax Deductions	10,000	10,736	11,034	(298)
Public Safety - current:				
Operating Services				
Utilities	18,000	17,198	15,415	1,783
Telephone	6,000	6,292	5,909	383
Rentals	14,400	15,709	14,400	1,309
Maintenance Buildings	300	878	523	355
Maintenance Trucks	30,000	36,572	48,436	(11,864)
Maintenance Mach/Equip	15,000	44,874	37,791	7,083
Maintenance Radio Equip	20,000	6,124	5,146	978
Professional Services	7,000	11,144	9,634	1,510
Insurance	42,000	39,144	39,144	-
Education & Training	10,000	2,761	2,320	441
Convention Reg Fees	3,000	2,220	2,220	-
Fire Chief's Association	200	100	100	-
Total Operating Services	<u>165,900</u>	<u>183,015</u>	<u>181,038</u>	<u>1,978</u>
Material and Supplies				
Medical	1,000	-	1,578	(1,578)
Office Supplies/Postage	1,500	941	846	95
Publication Expenses	1,000	1,908	1,772	136
Supplies Clothing Gear	30,000	18,524	15,566	2,958
Vehicle Fuel	8,000	7,251	6,093	1,158
Total Material and Supplies	<u>41,500</u>	<u>28,625</u>	<u>25,855</u>	<u>2,769</u>
Total current expenditures	<u>217,400</u>	<u>222,376</u>	<u>217,927</u>	<u>4,449</u>
Capital Outlay				
Acquisition Vehicles	40,000	-	-	-
Acquisition Improvements	-	-	-	-
Acquisition Equipment	-	35,293	35,293	-
Total Capital Outlay	<u>40,000</u>	<u>35,293</u>	<u>35,293</u>	<u>-</u>
Total expenditures	<u>257,400</u>	<u>257,669</u>	<u>253,220</u>	<u>4,449</u>
NET CHANGE IN FUND BALANCES	86,150	157,069	159,305	2,236
FUND BALANCES				
Beginning of year, restated	991,555	991,555	991,555	-
Ending of year	<u>\$ 1,077,705</u>	<u>\$ 1,148,624</u>	<u>\$ 1,150,860</u>	<u>\$ 2,236</u>

***OTHER
INFORMATION***

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2
 Schedule of Compensation, Benefits and Other Payments to Agency Head
 For the Year Ended December 31, 2019

Agency Head Name: Mr. Eric Benoit, Chairman

Purpose	Amount
Salary	\$0
Benefits-insurance	\$0
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting

OTHER REPORTS



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

To the Board of Commissioners
Lafourche Parish Fire Protection District No. 2
Lockport, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Lafourche Parish Fire Protection District No. 2, (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating the management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2019 included in the accompanying *Louisiana Attestation Questionnaire*.

Management is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our applied procedures, together with any observation or findings, follow:

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$154,450, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Expenditures made during the year for materials and supplies exceeding \$30,000 were in accordance with LSA-RS 38:2211-2251, and no contracts were entered into for public works exceeding \$154,450. We examined documentation which indicated that all of these expenditures had been properly advertised and accepted in accordance with the provisions of R.S. 38:2211-2296.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The District did not have any employees during the period under examination.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The District did not have any employees during the period under examination.

Budgeting

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

Management provided us with a copy of the legally adopted original and amended budget.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes held on December 17, 2018 which indicated that the budget had been adopted by the commissioners of the Lafourche Parish Fire Protection District No. 2 by a unanimous vote. We traced the amended budget adoption to the minutes held on December 16, 2019.



7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget (amended) to actual revenues and expenditures. The revenue and expenditure variances were in compliance with the 5% variance.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee;

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

- (b) determine if payments were properly coded to the correct fund and general ledger account, and

Six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Board of Commissioners. In addition, each of the disbursements was traced to the District's minutes where they were approved by the full Board.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

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. It was noted by inquiry during the year that agendas for meetings were posted or advertised on the door as required.



Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected all bank deposit slips for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advance, or gifts.

The District did not have any employees during the period under examination.

We were not engaged to, and did not; perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information of the management and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
May 19, 2020



LAFOURCHE PARISH FIRE PROTECTION
DISTRICT NO. 2 RESOLUTION NO. 2020-02-17

The following resolution was offered by Mr. Bruce Dufrene and seconded by Mr. Valcour Rodrigue.

A resolution approving the annual Attestation Questionnaire for the year ended December 31, 2019.

BE IT RESOLVED that the Board of Commissioners of the Lafourche Parish Fire Protection District No.2 does hereby approve the representations as stated in the Attestation Questionnaire for the year ended December 31, 2019.

BE IT FURTHER RESOLVED that the Board of Commissioners of the Lafourche Parish Fire Protection District No. 2 does hereby authorize the Chairman to sign the aforementioned Questionnaire.

This resolution having been submitted to a vote, the vote thereon was as follows:


YEAS:	Eric Benoit, Valcour Rodrigue, John Arvello, Bruce Dufrene.
NAYS:	None.
ABSTENTIONS:	None.
ABSENT:	Todd Hebert.

PASSED AND ADOPTED AT THE LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2 BUSINESS MEETING AT LOCKPORT, LAFOURCHE PARISH, LOUISIANA, ON THIS 17TH DAY OF FEBRUARY, 2020.

CERTIFICATE

STATE OF LOUISIANA
PARISH OF LAFOURCHE

I, the undersigned Chairman of the Lafourche Parish Fire Protection District No.2, State of Louisiana, do hereby certify that the foregoing page constitutes a true and correct copy of a Resolution adopted by said Lafourche Parish Fire Protection District No. 2 on February 17, 2020.


Eric Benoit, Chairman

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

Stagni & Company, LLC
207 Lafayette Ave
Thibodaux, LA 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 [X] No []

Advances and Bonuses

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

Yes [X] No []

Prior-Year Comments

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

Yes [X] No []

General

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

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []


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

Yes [X] No []

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

Yes [X] No []

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

 Chairman 2-26-2020 Date

Adopted by the governing body by means of a formal resolution in an open meeting on February 17, 2020.

Please attach resolution.