

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Annual Financial Report
As of and for the
Year Ended December 31, 2019

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Annual Financial Report
As of and for the Year Ended December 31, 2019

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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, State of Louisiana, as of and for the year ended December 31, 2019, 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, 2019, 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 29, the Schedule of Employer's Share of Net Pension Liability on page 30, and the Schedule of Employer Contributions on page 31 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.

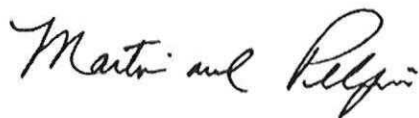
Other Information

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 32 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 April 30, 2020, 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 solely 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
April 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2019

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, 2019.

FINANCIAL HIGHLIGHTS

- Bayou Cane Fire Protection District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1,765,137 (net position) as of December 31, 2019.
- Revenues exceeded expenditures by \$75,564 during the year.

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, 2019

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 \$1,765,137 at the close of the most recent year, December 31, 2019. The largest portions of the District's total assets are ad valorem taxes receivable (35%), cash and cash equivalents (34%), and capital assets, net of accumulated depreciation (30%).

The District's Net Position

	December 31,	
	2019	2018
ASSETS		
Current assets	\$ 8,986,493	\$ 8,053,996
Capital assets, net of accumulated depreciation	3,857,344	4,060,699
TOTAL ASSETS	12,843,837	12,114,695
DEFERRED OUTFLOWS OF RESOURCES	1,328,457	1,169,702
LIABILITIES		
Current liabilities	464,560	268,237
Long-term liabilities	6,202,750	5,964,364
TOTAL LIABILITIES	6,667,310	6,232,601
DEFERRED INFLOWS OF RESOURCES		
Ad valorem taxes revenue	5,112,477	4,796,644
Pension-related	627,370	565,579
TOTAL DEFERRED INFLOWS OF RESOURCES	5,739,847	5,362,223
NET POSITION		
Net investment in capital assets	3,286,126	3,353,909
Unrestricted	(1,520,989)	(1,664,336)
TOTAL NET POSITION	\$ 1,765,137	\$ 1,689,573

Total assets plus deferred outflows of resources increased by \$887,897, and total liabilities plus deferred inflows of resources increased by \$812,333. The increase in assets and deferred outflows of resources is primarily due to the increases of \$489,035 in cash and cash equivalents and \$412,796 in ad valorem taxes receivable. The increase in liabilities and deferred inflows of resources is due to the increases of \$332,227 in the net pension liability and \$315,833 in deferred ad valorem taxes revenue.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2019

During the year, the District's net position increased by \$75,564. The elements of the increase are as follows:

The District's Changes in Net Position

	For the Year Ended December 31,	
	2019	2018
REVENUES		
Taxes	\$ 4,728,912	\$ 4,706,728
Other	1,107,386	1,072,564
State supplemental pay	268,883	266,150
State revenue sharing	133,500	123,891
TOTAL REVENUES	6,238,681	6,169,333
EXPENSES		
Public safety - fire protection		
Personnel services	5,045,696	4,577,790
Other services and charges	297,651	295,623
Supplies and maintenance	279,744	268,656
Professional fees	80,065	95,414
Training and travel	53,724	42,519
Depreciation	418,346	429,780
Interest expense	16,914	20,064
TOTAL EXPENSES	6,192,140	5,729,846
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	29,023	(5,383)
CHANGE IN NET POSITION	75,564	434,104
NET POSITION - BEGINNING	1,689,573	1,255,469
NET POSITION - ENDING	\$ 1,765,137	\$ 1,689,573

As indicated above, net position increased by \$75,564 in 2019, which indicates revenues were sufficient to cover expenses incurred during the year. The decrease in change in net position from 2018 to 2019 is primarily due to the increase in personnel services related to net pension liability.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
December 31, 2019

CAPITAL ASSETS

As of December 31, 2019, the District had \$3,857,344 invested in capital assets as follows:

	<u>2019</u>	<u>2018</u>
Capital assets	\$ 7,771,428	\$ 7,578,607
Less accumulated depreciation	(3,914,084)	(3,517,908)
	<u>\$ 3,857,344</u>	<u>\$ 4,060,699</u>

Capital assets consist of land, buildings, building improvements, equipment, and vehicles. Depreciation expense for the year is \$418,346.

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 \$135,573.

More detailed information about the District's capital lease obligation is presented in Note 5 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. The District's budgeted revenues were not amended during the year. Total budgeted expenditures decreased by \$8,111 from the original amount.

The District's actual revenues were more than the budgeted revenues by \$749,212, a favorable variance of 15.94%. The District's actual expenditures were more than the budgeted expenditures by \$141,926, an unfavorable variance of 2.91%.

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, 2019

INCIDENTS AND CALLS (Cont.)

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

<u>Type of Call</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Fire	\$ 427	\$ 452	\$ 96
Explosion, overhead (no fire)	25	2	2
Rescue and EMS	1,041	1,179	1,086
Hazardous condition (no fire)	89	70	130
Service call	77	60	76
Good intent	-	-	95
False alarm	-	-	336
Severe weather and natural disaster	16	-	2
Total	<u>\$ 1,675</u>	<u>\$ 1,763</u>	<u>\$ 1,823</u>
Increase or decrease from prior year	-4.99%	-3.29%	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, 2019

	Government Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,378,628
Investments - unrestricted	79,315
Investments - restricted	13,777
Accounts receivable	4,654
Ad valorem taxes receivable	4,451,107
Prepaid items	59,012
Total current assets	8,986,493
Capital assets, net of accumulated depreciation of \$3,914,084	3,857,344
TOTAL ASSETS	12,843,837
DEFERRED OUTFLOWS OF RESOURCES - PENSION RELATED	1,328,457
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	14,172,294
LIABILITIES	
Current liabilities:	
Salaries and benefits payable	168,207
Accounts payable	144,425
Current portion of capital lease obligation	138,799
Accounts held in escrow - protest taxes	13,129
Total current liabilities	464,560
Noncurrent liabilities:	
Long-term portion of capital lease obligation	432,419
Net pension liability	5,654,843
Compensated absences	115,488
Total noncurrent liabilities	6,202,750
TOTAL LIABILITIES	6,667,310
DEFERRED INFLOWS OF RESOURCES	
Ad valorem taxes revenue	5,112,477
Pension-related	627,370
TOTAL DEFERRED INFLOWS OF RESOURCES	5,739,847
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	12,407,157
NET POSITION	
Net investment in capital assets	3,286,126
Unrestricted	(1,520,989)
TOTAL NET POSITION	\$ 1,765,137

See accompanying notes.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Statement of Activities
For the Year Ended December 31, 2019

REVENUES

Taxes:

Ad valorem	\$ 4,639,090
2% fire insurance	89,822

Intergovernmental:

State supplemental pay	268,883
State revenue sharing	<u>133,500</u>

TOTAL REVENUES	<u>5,131,295</u>
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EXPENDITURES

Public safety - fire protection

Personnel services	5,045,696
Other services and charges	297,651
Supplies and maintenance	279,744
Professional fees	80,065
Training and travel	53,724
Depreciation	<u>418,346</u>

TOTAL EXPENDITURES	<u>6,175,226</u>
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GENERAL REVENUES

Pension-related	821,899
Other	<u>285,487</u>

TOTAL GENERAL REVENUES	<u>1,107,386</u>
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OTHER INCOME/(EXPENSE)

Gain on disposal of capital assets	29,023
Interest expense	<u>(16,914)</u>

TOTAL OTHER INCOME	<u>12,109</u>
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CHANGE IN NET POSITION	75,564
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NET POSITION - Beginning	<u>1,689,573</u>
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NET POSITION - Ending	<u><u>\$ 1,765,137</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, 2019

ASSETS

Cash and cash equivalents	\$ 4,378,628
Investments - unrestricted	79,315
Investments - restricted	13,777
Accounts receivable	4,654
Ad valorem taxes receivable	4,451,107
Prepaid expenses	<u>59,012</u>

TOTAL ASSETS	<u><u>\$ 8,986,493</u></u>
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LIABILITIES

Salaries and benefits payable	\$ 168,207
Accounts payable	144,425
Accounts held in escrow - protest taxes	<u>13,129</u>

TOTAL LIABILITIES	<u>325,761</u>
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DEFERRED INFLOWS OF RESOURCES

Ad valorem taxes revenue	<u>5,112,477</u>
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FUND BALANCE

Nonspendable	59,012
Restricted	13,777
Unassigned	<u>3,475,466</u>

TOTAL FUND BALANCE	<u>3,548,255</u>
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**TOTAL LIABILITIES, DEFERRED
INFLOWS OF RESOURCES,
AND FUND BALANCE**

<u><u>\$ 8,986,493</u></u>

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
For the Year Ended December 31, 2019

REVENUES

Taxes:

Ad valorem	\$ 4,639,090
2% fire insurance	89,822

Intergovernmental:

State supplemental pay	268,883
State revenue sharing	133,500

TOTAL REVENUES	<u>5,131,295</u>
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EXPENDITURES

Public safety - fire protection

Personnel services	3,943,578
Other services and charges	297,651
Supplies and maintenance	279,744
Professional fees	80,065
Training and travel	53,724

Capital outlay	219,968
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Debt Service

Principal	135,573
Interest	16,914

TOTAL EXPENDITURES	<u>5,027,217</u>
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EXCESS OF REVENUES OVER EXPENDITURES	104,078
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GENERAL REVENUES

Other	<u>319,489</u>
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CHANGE IN FUND BALANCE	423,567
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FUND BALANCE

Beginning of year	<u>3,124,688</u>
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End of year	<u><u>\$ 3,548,255</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
For the Year Ended December 31, 2019

Fund Balance - governmental fund	\$ 3,548,255
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets of \$7,771,428, net of accumulated depreciation of \$3,914,084, are not financial resources and, therefore, are not reported in the fund.	3,857,344
Deferred outflows of resources related to net pension liability are not available resources, and therefore, are not reported in the fund.	1,328,457
Current portion of \$138,799 and long-term portion of \$432,419 of capital lease obligation are not financial resources and are therefore not reported in the fund.	(571,218)
Deferred inflows of resources related to net pension liability are not payable from current expendable resources, and therefore, are not reported in the fund.	(627,370)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.	
Net pension liability	(5,654,843)
Compensated absences	(115,488)
Total net position of governmental activities	<u>\$ 1,765,137</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
For the Year Ended December 31, 2019

Change in fund balance - governmental fund	\$	423,567
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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	(418,346)		
Disposal of capital asset	(4,978)		
Capital outlays	<u>219,968</u>		(203,356)

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		135,573
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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		(235,263)
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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 2019.

		<u>(44,957)</u>
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Change in net position of governmental activities	\$	<u>75,564</u>
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See accompanying notes.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
For the Year Ended December 31, 2019

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
For the Year Ended December 31, 2019

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
For the Year Ended December 31, 2019

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
For the Year Ended December 31, 2019

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
For the Year Ended December 31, 2019

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, 2019, compensated absences payable to employees totaled \$115,488.

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
For the Year Ended December 31, 2019

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 December 15, 2019. 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, 2019, the District has deposits as follows:

	<u>Bank Balances</u>	<u>Reported Balances</u>
Cash and cash equivalents	\$ 4,455,509	\$ 4,378,628
Certificates of deposit	93,092	93,092
Totals	<u>\$ 4,548,601</u>	<u>\$ 4,471,720</u>

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
For the Year Ended December 31, 2019

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, 2019, \$3,969,286 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, 2019, 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 \$93,092, \$13,777 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	\$ 4,471,720
Reported amount of investments	<u>-</u>
Total	<u>\$ 4,471,720</u>
Cash and cash equivalents	\$ 4,378,628
Investments	<u>93,092</u>
Total	<u>\$ 4,471,720</u>

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
For the Year Ended December 31, 2019

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, 2019 was as follows:

<u>Governmental Activities</u>	<u>January 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2019</u>
Capital assets not being depreciated:				
Land	\$ 385,000	\$ -	\$ -	\$ 385,000
Construction in progress	-	86,880	-	86,880
	<u>385,000</u>	<u>86,880</u>	<u>-</u>	<u>471,880</u>
Capital assets being depreciated:				
Buildings and improvements	1,931,488	51,648	-	1,983,136
Vehicles	3,549,880	35,560	(27,147)	3,558,293
Furniture and equipment	1,712,239	45,880	-	1,758,119
Total capital assets being depreciated	<u>7,193,607</u>	<u>133,088</u>	<u>(27,147)</u>	<u>7,299,548</u>
Less accumulated depreciation for:				
Buildings and improvements	(763,659)	(60,621)	-	(824,280)
Vehicles	(1,841,408)	(215,886)	22,170	(2,035,124)
Furniture and equipment	(912,841)	(141,839)	-	(1,054,680)
Total accumulated depreciation	<u>(3,517,908)</u>	<u>(418,346)</u>	<u>22,170</u>	<u>(3,914,084)</u>
Total capital assets being depreciated, net	<u>3,675,699</u>	<u>(285,258)</u>	<u>(4,977)</u>	<u>3,385,464</u>
Total capital assets, net of depreciation	<u>\$ 4,060,699</u>	<u>\$ (198,378)</u>	<u>\$ (4,977)</u>	<u>\$ 3,857,344</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, 2019 include the following:

Fire trucks	\$ 1,390,144
Less accumulated depreciation	<u>(318,575)</u>
Net	<u>\$ 1,071,569</u>

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 4 – CAPITAL LEASE OBLIGATION (Cont.)

A summary of the long-term debt obligation of the District for the year ended December 31, 2019 is as follows:

Balance January 1, 2019	Debt Incurred	Principal Paid	Balance December 31, 2019	Due Within One Year
\$706,791	\$ -	\$ 135,573	\$571,218	\$138,799

The annual principal and interest requirements on the capital lease obligation as of December 31, 2019 are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 138,799	\$ 13,688	\$ 152,487
2021	142,101	10,386	152,487
2022	145,482	7,005	152,487
2023	144,836	3,544	148,380
	<u>\$ 571,218</u>	<u>\$ 34,623</u>	<u>\$ 605,841</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 2019. These taxes and related state revenue sharing were budgeted for the year ended December 31, 2019 and were included as deferred inflows of resources on the Statement of Net Position as of December 31, 2019. 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 2019, the state paid supplemental salaries for the employees of the District in the amount of \$268,883. These intergovernmental funds are reflected in the financial statements of the District for the year ended December 31, 2019.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
For the Year Ended December 31, 2019

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
For the Year Ended December 31, 2019

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 (I2BO) 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, 2019, employer and employee contribution rates for members above the poverty line were 26.50% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.50% 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, 2019 and were excluded from pension expense. Non-employer contributions received by the System during the year ended June 30, 2019 was \$26,807,631.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: As of December 31, 2019, the District reported liabilities in its government-wide financial statements of \$5,654,843 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, 2019, 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, 2019, the District's proportionate share of the System was .903054%, which was a decrease of 0.022284% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the District recognized a pension expense of \$1,074,452 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
For the Year Ended December 31, 2019

NOTE 7 – PENSION PLAN (Cont.)

As of December 31, 2019, 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	\$ -	\$ 407,908
Changes in assumptions	514,453	412
Net difference between projected and actual investment earnings on pension plan investments	380,272	-
Changes in proportion	135,617	219,050
Employer contributions subsequent to the measurement date	<u>298,115</u>	<u>-</u>
	<u>\$ 1,328,457</u>	<u>\$ 627,370</u>

Deferred outflows of resources of \$298,115 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, 2020. 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>	
2020	\$ 182,464
2021	(43,826)
2022	118,459
2023	138,109
2024	5,729
2025	<u>2,037</u>
	<u>\$ 402,972</u>

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 is as follows:

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 – PENSION PLAN (Cont.)

	<u>Firefighter's Retirement System</u>
Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Actuarial cost assumptions:	
Expected remaining service lives	7 years, closed period
Investment rate of return (Discount rate)	7.15% per annum (net of investment expenses)
Inflation rate	2.5% 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 assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The discount rate used to measure the total pension liability was 7.15%. 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.

Sensitivity to Changes in Discount Rate: The following represents the net pension liability of the participating employers calculated using the discount rate of 7.15%, as well as what the

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 7 – PENSION PLAN (Cont.)

employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate as of June 30, 2019.

Changes in Discount Rate: Firefighter's Retirement System		
1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	\$8,188,595	\$5,654,843
		\$3,528,204

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, 2019, the District recognized revenue as a result of support received from the non-employer contributing entities of \$242,087 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, 2019.

NOTE 9 – 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 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through April 30, 2020, 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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u> <u>Favorable/</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
Ad valorem tax	\$ 4,162,435	\$ 4,162,435	\$ 4,639,090	\$ 476,655
State supplemental pay	270,000	270,000	268,883	(1,117)
Interest and dividends	97,275	97,275	237,688	140,413
State revenue sharing	82,777	82,777	133,500	50,723
Other income	3,236	3,236	81,801	78,565
Fire insurance 2% rebate	85,849	85,849	89,822	3,973
TOTAL REVENUES	<u>4,701,572</u>	<u>4,701,572</u>	<u>5,450,784</u>	<u>749,212</u>
EXPENDITURES				
Public safety				
Personnel services	3,742,618	3,742,618	3,943,578	(200,960)
Other services and charges	290,610	302,499	297,651	4,848
Supplies and maintenance	410,286	410,286	279,744	130,542
Professional fees	85,657	85,657	80,065	5,592
Training and travel	45,744	45,744	53,724	(7,980)
Capital outlay	165,000	145,000	219,968	(74,968)
Debt service	153,487	153,487	152,487	1,000
TOTAL EXPENDITURES	<u>4,893,402</u>	<u>4,885,291</u>	<u>5,027,217</u>	<u>(141,926)</u>
Net change in fund balance	(191,830)	(183,719)	423,567	607,286
FUND BALANCE				
Beginning of year	<u>1,689,573</u>	<u>1,689,573</u>	<u>3,124,688</u>	<u>1,435,115</u>
End of year	<u>\$ 1,497,743</u>	<u>\$ 1,505,854</u>	<u>\$ 3,548,255</u>	<u>\$ 2,042,401</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, 2019

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
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, 2019

<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>
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
For the Year Ended December 31, 2019

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

Purpose	Amount
Salary	\$ 94,566
Benefits - retirement	26,242
Benefits - insurance	16,470
Travel	3,164
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

**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) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 30, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during

our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

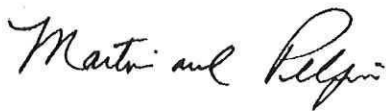
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2019-001.

The District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
April 30, 2020

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Schedule of Findings and Responses
For the Year Ended December 31, 2019

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. One instance of noncompliance (see finding 2019-001) required to be reported in accordance with *Government Auditing Standards* was noted during the audit.
4. A management letter was not issued.
5. The District did not receive or expend federal funds during the year.

Section II – Financial Statement Findings

2019-001

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

Criteria: State law requires that deposits of all political subdivisions be fully collateralized at all times.

Effect of Condition: The District was not in compliance with state law as related to bank deposits.

Cause of Condition: A significant deposit was made that caused deposits to exceed pledged securities.

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 the 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.

Section III – Federal Awards

No federal awards were received during the year.

Bayou Cane Fire Protection District
Terrebonne Parish Consolidated Government

Management's Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2019

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

Section I – Internal Control and Compliance

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.

Planned Action: The District will implement the recommendation as detailed above.

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
For the Year Ended December 31, 2019

Note: All prior findings relate to the December 31, 2018 audit engagement.

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

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.

STATEWIDE AGREED-UPON PROCEDURES

**Martin
and
Pellegrin**

*Certified public Accountants
(A Professional Corporation)*

103 Ramey Road
Houma, Louisiana 70360

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

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
Bayou Cane Fire Protection District
Houma, Louisiana

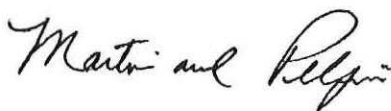
We have performed the procedures enumerated below, which were agreed to by the management of Bayou Cane Fire Protection District and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2019. The District's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted 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 this 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.

The procedures and associated findings are described on pages 39-50.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Houma, Louisiana
April 30, 2020

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

The required procedures and our findings are as follows:

Procedures performed on the District's written policies and procedures:

Written Policies and Procedures

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and inspected the written policy for budgeting and found it to contain the elements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes

Performance: Obtained and read the written policy for purchasing.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions

Performance: Obtained and read the written policy for receipts/collections and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
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As of and for the Year Ended December 31, 2019

Performance: Obtained and reviewed the written policy for payroll/personnel and found it to contain the elements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Performance: Obtained and reviewed the written policy for contracts and found it to contain the elements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage

Performance: Obtained and read the written policy for credit cards and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read the entity's ethics policy

Performance: Obtained and read the ethics policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- j) Debt service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

Performance: Inquired management of its written policy for debt service.

Exceptions: There were no written policies available.

Management's response: Management will adopt policies for debt service.

- k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for disaster recovery/business continuity and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, as well as monthly financial statements.
 - c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Performance: Determined that the procedures under #2 could be excluded as the District did not have any exceptions in the Board of Finance Committee category in Year 2 and was thereby exempt in Year 3.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation;

Performance: Inspected documentation for management approvals of each randomly selected bank reconciliation.

Exceptions: There was no evidence of the bank reconciliations being reviewed.

Management's response: Management will review the bank reconciliations each month and provide evidence that they have done so.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: Determined that there was one item outstanding for more than 12 months, which was resolved with an audit entry requested by management.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location.
 - e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Determined that the procedures under numbers 4 through 7 could be excluded as the District did not have any exceptions in the Collections category in Year 1 and was thereby exempt in Years 2 and 3.

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
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Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties, and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) At least two employees are involved in processing and approving payments to vendors.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Inspected policy and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representation in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe that the disbursement matched the related original invoice/billing statement.

Performance: Determined that the five randomly selected disbursements matched their respective original invoices.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

Performance: Determined whether the documentation for the five randomly selected disbursements gave evidence of the segregation of duties tested under #9 above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
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Performance: Observed the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed written approvals of credit card transactions on monthly statements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Traced selected credit card statements to determine if any finance charges or late fees were applied to balances.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

Performance: Observed whether randomly selected credit card transactions were supported by the requirements listed above.

Exceptions: One of the invoices for meals did not include documentation of the individuals eating (who the trainees were). Three invoices for travel did not state the business purpose of the trip.

Management's response: Credit card transactions will include all of the required support in the future.

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Determined that the procedures under #14 could be excluded as the District did not have any exceptions in the Travel and Travel-Related Expense Reimbursements category in Year 2 and was thereby exempt in Year 3.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law.

Bayou Cane Fire Protection District
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As of and for the Year Ended December 31, 2019

- c) If the contract was amended, observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Determined that the procedures under #15 could be excluded as the District did not have any exceptions in the Contracts category in Year 1 and was thereby exempt in Years 2 and 3.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave.
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
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Performance: Determined that the procedures under numbers 16 through 19 could be excluded as the District did not have any exceptions in the Payroll and Personnel category in Year 1 and was thereby exempt in Years 2 and 3.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the District's ethics policy during the fiscal period.

Performance: Determined that the procedures under #20 could be excluded as the District did not have any exceptions in the Ethics category in Year 1 and was thereby exempt in Years 2 and 3.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond District approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Performance: Determined that the procedures under numbers 21 and 22 could be excluded as the District did not have any exceptions in the Debt Service category in Year 1 and was thereby exempt in Years 2 and 3.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Bayou Cane Fire Protection District
Schedule of Procedures and Associated Findings of the
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Performance: Received management's representation that there were no misappropriations of public funds or assets during the fiscal period.

Exceptions: There were no exceptions noted.

Management's responses: Not applicable.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed if such notice was posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.