

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

**COMPONENT UNIT OF THE
LAFOURCHE PARISH GOVERNMENT**

Thibodaux, Louisiana

Financial Statements with Supplemental Information

December 31, 2020



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

Financial Statements
December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lafourche Parish Fire Protection District No. 6
Thibodaux, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafourche Parish Fire Protection District No. 6 (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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, the *Louisiana Governmental Audit Guide*, 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafourche Parish Fire Protection District No. 6, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Budgetary Comparison Schedule – General Fund* and *Budgetary Comparison Schedule – Debt Service Fund* on pages 22 and page 23, respectively, 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the department's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officers is the responsibility of management and were derived from and relate 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 Agency Head or Chief Executive Officers 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 May 14, 2021, on our consideration of the department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 effectiveness of the department's 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 department's internal control over financial reporting and compliance.



Thibodaux, Louisiana
May 14, 2021

FINANCIAL STATEMENTS

Government-Wide
Financial Statements (GWFS)

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

Statement of Net Position
December 31, 2020

Assets

Cash and cash equivalents	\$	359,514
Receivables - ad valorem tax		474,653
Capital assets, not being depreciated		22,299
Capital assets, net of depreciation		745,559
Total assets	\$	<u>1,602,025</u>

Liabilities

Accounts payable	\$	-
Accrued interest payable		11,744
Long term liabilities due < 1 year		60,000
Long term liabilities due > 1 year		880,000
Total liabilities	\$	<u>951,744</u>

Deferred inflows of resources

Ad valorem taxes revenue	\$	<u>40,934</u>
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Net position

Invested in capital assets, net of related debt	\$	767,858
Restricted for:		
Debt Service		532,069
Unrestricted		(690,580)
Total net position	\$	<u>609,347</u>

The accompanying notes are an integral part of this statement.

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

Statement of Activities

For the Year Ended December 31, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Increase (Decrease) in Net Position
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental activities:				
Public safety - fire protection:				
St. John Volunteer Fire Dept	\$ 471,405	\$ -	\$ -	\$ 471,405
Depreciation	84,061	-	-	84,061
Office expense	428	-	-	428
Professional fees	3,700	-	-	3,700
Interest expense	33,812	-	-	33,812
Total governmental activities:	\$ 593,406	\$ -	\$ -	\$ 593,406
General revenues:				
Ad valorem taxes			\$ 496,041	
Gain on sale of asset			35,000	
Fire Insurance rebate			39,405	
Total general revenues			\$ 570,446	
Increase (decrease) in net position				(22,960)
Net position - beginning of the year				632,308
Net position - end of the year				\$ 609,347

The accompanying notes are an integral part of this statement.

Fund Financial Statements (FFS)

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

Fund Balance Sheet - Governmental Funds

December 31, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 18,437	\$ 341,077	\$ 359,514
Receivables - ad valorem tax	387,434	87,219	474,653
Total assets	\$ 405,870	\$ 428,297	\$ 834,167
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	\$ -	\$ -	\$ -
 Deferred inflows of resources			
Ad valorem taxes	\$ 33,015	\$ 7,919	\$ 40,934
Total deferred inflows of resources	\$ 33,015	\$ 7,919	\$ 40,934
 Fund balances			
Restricted for debt service		\$ 420,378	\$ 420,378
Unassigned	\$ 372,855	-	372,855
Total fund balances	\$ 372,855	\$ 420,378	\$ 793,233

The accompanying notes are an integral part of this statement.

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Ad valorem tax	\$ 410,072	\$ 85,969	\$ 496,040
Fire insurance rebate	39,405	-	39,405
Total revenues	<u>\$ 449,477</u>	<u>\$ 85,969</u>	<u>\$ 535,446</u>
EXPENDITURES			
Public safety - fire protection:			
Current:			
St. John Volunteer Fire Department	\$ 471,405	\$ -	\$ 471,405
Office expense	428	-	428
Professional fees	3,700	-	3,700
Total current expenditures	<u>475,533</u>	<u>-</u>	<u>475,533</u>
Debt Service:			
Principal retirement	-	55,000	55,000
Interest expense	-	34,693	34,693
Total debt service	<u>-</u>	<u>89,693</u>	<u>89,693</u>
Total expenditures	<u>\$ 475,533</u>	<u>\$ 89,693</u>	<u>\$ 565,226</u>
Excess of revenues over/(under) expenditures	(26,056)	(3,724)	(29,780)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of asset	\$ 35,000	-	\$ 35,000
Total other financing sources and uses	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>
Net increase (decrease) in fund balances	8,944	(3,724)	5,220
FUND BALANCE			
Beginning of year	\$ 363,912	\$ 424,101	\$ 788,012
End of year	<u>\$ 372,856</u>	<u>\$ 420,377</u>	<u>\$ 793,232</u>

The accompanying notes are an integral part of this statement.

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

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

Total Fund Balances - Governmental Funds	\$	793,233
Total net position reported for governmental activities in the statement of net positions is different because:		
<p>Capital assets used in governmental activities are not current financial resources and therefore not reported in the Governmental Funds Balance Sheet, those assets consist of:</p>		
Capital asset, not being depreciated	\$ 22,299	
Capital assets, net of \$971,540 accumulated depreciation	<u>745,559</u>	767,858
<p>Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds:</p>		
Accrued interest payable	(11,744)	
Certificate of Indebtedness	<u>(940,000)</u>	(951,744)
Total Net Position - Governmental activities	\$	<u><u>609,347</u></u>

The accompanying notes are an integral part of this statement.

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

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

For the year ended December 31, 2020

Total net changes in fund balances at December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 5,220
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense for the current year	(84,061)
Debt principal retirement not considered an expense in the Statement of Activities	55,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on an accrual basis.	<u>880</u>
Change in Net Position - Governmental activities	<u><u>\$ (22,961)</u></u>

The accompanying notes are an integral part of this statement.

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

Notes to the Financial Statements
December 31, 2020

INTRODUCTION

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting entity

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

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

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

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
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Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2020

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

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

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

Notes to the Financial Statements
December 31, 2020

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

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

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

The major funds of the District is described below:

Governmental Fund -

General Fund

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

Debt Service Fund

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

C. Measurement Focus / Basis of Accounting

Measurement Focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-Wide Financial Statements (GWFS)

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

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
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Notes to the Financial Statements
December 31, 2020

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

Fund Financial Statements (FFS)

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

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

Revenues –

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

Expenditures –

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

Other Financing Sources (Uses) –

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

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

Notes to the Financial Statements
December 31, 2020

D. Budgets and Budgetary Accounting

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

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

Ad Valorem Taxes	\$65,778
Receivables – Ad Valorem Tax	(\$69,420)
Deferred Inflows	\$ 3,643

E. Encumbrances

The district does not use encumbrance accounting.

F. Cash and cash equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents also include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Inventories

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

H. Capital assets

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

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
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Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2020

level of \$1,000 or more for capitalizing capital assets.

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

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

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

I. Long-Term Obligations

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

J. Equity Classifications

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

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

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

Notes to the Financial Statements
December 31, 2020

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

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

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

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

When an expenditure is incurred for the purposed for which both restricted and unrestricted fund balance is available, the Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

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Component Unit of the Lafourche Parish Government
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Notes to the Financial Statements
December 31, 2020

K. Deferred Outflows of Resources and Deferred Inflows of Resources

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

L. Use of Estimates

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

M. Subsequent Events

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (May 14, 2021).

NOTE 2. LEVIED TAXES

Ad valorem taxes are levied on the assessed value listed as of the prior January 1 for all real property, merchandise and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax District at percentages of actual value as specified by Louisiana law. A reevaluation of all real property is required to be completed no less than every four years. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The district is authorized levy a maximum of 16 mills for ad valorem tax. The tax rate for the year ended December 31, 2020, which is the 2020 tax roll, was 6.85 mills per \$1,000 of assessed valuation on property within the District's area for the purpose of maintaining and operating the District and 1.55 mills per \$1,000 for the purpose of payment of general long term debt principal, interest, and related costs for the District.

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

Notes to the Financial Statements
December 31, 2020

The following are the principal taxpayers for the parish and their 2020 assessed valuation:

<u>Taxpayer</u>	<u>Assessed Value</u>
Galliano Marine Service	\$ 74,094,040
Cantium, LLC	\$ 26,750,070
Hornbeck Offshore Service	\$ 22,390,730
Mars Oil Pipeline Company	\$ 21,409,190
Loop LLC	\$ 20,844,480

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2020, the District has cash (book balances) totaling \$359,514 as follows:

Cash & Equivalents

Fire District #6:

Checking - Operating	\$ 18,438
Checking - Debt Service	<u>341,077</u>
Total Cash	<u>\$ 359,514</u>

For the purposes of the Statement of Net Position, restricted cash is an amount received or earned by the District with an explicit understanding that the resource would be used for a specific purpose. At year end, the line item *Cash and cash equivalents* on the Statement of Net Position is comprised of restricted cash of \$341,077 and unrestricted cash of \$18,438. The District has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

NOTE 4. CUSTODIAL CREDIT RISK

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

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

Notes to the Financial Statements
December 31, 2020

Deposit balances (bank balances) at December 31, 2020 in the amount of \$359,514 were secured with \$250,000 of federal deposit insurance and pledged securities of \$109,514, respectively. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name (category 3 deposits). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds on demand. The District does not have a policy for custodial credit risk.

NOTE 5. CHANGES IN CAPITAL ASSETS

A summary of changes in general capital assets follows:

	12/31/2019	Additions	Deletions	12/31/2020
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 22,299	\$ -	\$ -	\$ 22,299
Total non-depreciable capital assets	<u>22,299</u>	<u>-</u>	<u>-</u>	<u>22,299</u>
Capital assets being depreciated				
Buildings & improvements	369,534	-	-	369,534
Equipment	51,386	-	-	51,386
Fire vehicles & units	1,380,242	-	(169,489)	1,210,753
Total depreciable capital assets	<u>1,801,162</u>	<u>-</u>	<u>-</u>	<u>1,631,673</u>
Total capital assets	1,823,461	-	(169,489)	1,653,972
Less: accumulated depreciation				
Building & improvements	123,436	9,238	-	132,674
Equipment	27,372	4,884	-	32,256
Fire vehicles & units	820,734	69,939	(169,489)	721,184
Total accumulated depreciation	<u>971,542</u>	<u>84,061</u>	<u>(169,489)</u>	<u>886,114</u>
Governmental activities, capital assets, net of depreciation	<u>\$ 851,919</u>	<u>\$ (84,061)</u>	<u>\$ -</u>	<u>\$ 767,858</u>

NOTE 6. SHORT-TERM AND LONG-TERM OBLIGATIONS

During fiscal year ended December 2012, the Lafourche Parish Fire Protection District No. 6 passed a resolution to incur new debt of \$1,300,000 for the purpose of acquiring,

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

Notes to the Financial Statements
December 31, 2020

constructing and improving buildings, machinery and equipment, including fire trucks. The District received the proceeds of \$1,300,000 General Obligations Bonds, Series 2012. The current annual interest rate is 2.50%. During the year, the District paid \$34,693 in interest expense. Debt service required for the upcoming fiscal year is \$60,000 and \$33,180 principal and interest, respectively.

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

Governmental activities:	
General Obligation Bonds, Series 2012	
Long-term obligations payable at December 31, 2019	\$ 995,000
Additions	-
Reductions	<u>(55,000)</u>
Long-term obligations payable at December 31, 2020	<u><u>\$ 940,000</u></u>

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

Year Ending December 31,	Principal	Interest Rate	Interest	Total
2021	60,000	2.750%	33,180	93,180
2022	65,000	4.500%	30,893	95,893
2023	65,000	2.950%	28,471	93,471
2024	70,000	3.100%	26,428	96,428
2025	70,000	3.250%	24,205	94,205
2026-2029	325,000	3.350% - 3.750%	70,229	395,229
2030-2032	285,000	3.850% - 4.200%	30,991	315,991
	<u>\$ 940,000</u>		<u>\$244,396</u>	<u>\$1,184,396</u>

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

	12/31/2019	Increases	Decreases	12/31/2020
Long term liabilities due < 1 year	<u>\$ 55,000</u>	<u>\$ 60,000</u>	<u>\$ (55,000)</u>	<u>\$ 60,000</u>

NOTE 7. COMPENSATION OF BOARD MEMBERS

The District did not pay per diem or compensation to any of its board members during the year ended December 31, 2020.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 6
Component Unit of the Lafourche Parish Government
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Notes to the Financial Statements
December 31, 2020

NOTE 8. COOPERATIVE AGREEMENT

On January 1, 2011, Lafourche Parish Fire Protection District No. 6 contracted with St. John Volunteer Fire Department (Fire Department), a non-profit corporation, for the Fire Department to coordinate and supervise firefighting and emergency service in that fire district in return for insurance rebates, revenue sharing funds, and a sum equal to 6.85 mils of assessed property taxes collected by the District. The District has the right to reserve up to \$5,000 annually, to be used to defray the District's expenses.

Under the term of the cooperative agreement, the Fire Department shall be responsible and shall obtain fire and windstorm protection insurance on all fire stations owned, operated, or controlled by the Fire Department or District at the Fire Department's expense. During the year, the District paid \$471,405 to St. John Volunteer Fire Department for fire protection service.

NOTE 9. RISK MANAGEMENT

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

NOTE 10. LITIGATION AND CLAIMS

At December 31, 2020, the District had no litigation or claims pending.

Required Supplemental Information

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

Budget Comparison Schedule
General Fund - Non-GAAP (Cash) Basis
For the Year ended December 31, 2020

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:			
Ad valorem taxes	\$ 345,850	\$ 357,931	\$ 12,081
Proceeds from truck sale	-	35,000	35,000
Fire insurance rebate	40,000	39,405	(595)
	<u>\$ 385,850</u>	<u>\$ 432,337</u>	<u>\$ 46,487</u>
Expenditures:			
St. John Volunteer Fire Department	\$ 380,950	\$ 471,405	\$ (90,455)
Office expense	200	428	(228)
Publications	1,200	-	1,200
Professional fees	3,500	3,700	(200)
	<u>\$ 385,850</u>	<u>\$ 475,534</u>	<u>\$ (89,684)</u>
Excess (deficiency) of revenues over expenditures	-	(43,197)	(43,197)
Net increase (decrease) in fund balances	-	(43,197)	(43,197)
Fund balance, beginning	<u>not budgeted</u>	<u>\$ 363,912</u>	
Fund balance, ending	<u>not budgeted</u>	<u>\$ 320,715</u>	

The accompanying notes are an integral part of this statement.

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

Budget Comparison Schedule
Debt Service Fund - Non-GAAP (Cash) Basis
For the Year ended December 31, 2020

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:			
Ad valorem taxes	<u>\$ 80,488</u>	<u>\$ 72,333</u>	<u>\$ (8,155)</u>
Total revenues	<u>\$ 80,488</u>	<u>\$ 72,333</u>	<u>\$ (8,155)</u>
Expenditures:			
Bond payment	<u>\$ 89,693</u>	<u>\$ 89,693</u>	<u>\$ 0</u>
Total expenditures	<u>\$ 89,693</u>	<u>\$ 89,693</u>	<u>\$ 0</u>
Excess (deficiency) of revenues over expenditures	(9,205)	(17,360)	(8,155)
Net increase (decrease) in fund balances	(9,205)	(17,360)	(8,155)
Fund balance, beginning	<u>not budgeted</u>	<u>\$ 424,101</u>	
Fund balance, ending	<u>not budgeted</u>	<u><u>\$ 406,741</u></u>	

The accompanying notes are an integral part of this statement.

Supplemental Information

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

For the Year Ended December 31, 2020

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

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

No payments were made to the agency head during the year 2020.

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

The accompanying notes are an integral part of this statement.

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

Schedule of Prior Year Findings
December 31, 2020

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

Ref. No.

1219-01

Description of Finding

Inadequate Segregation of Duties – Internal Control Material Weakness

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

Corrective Action Taken

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

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

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

Schedule of Prior Year Findings
December 31, 2020

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

Ref. No.

1219-02

Description of Finding

Inadequate Controls over Financial Statement Preparation – Internal Control Material Weakness

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

Corrective Action Taken

Management carefully reviews the draft financial statements and notes prior to approval. Management understands that it accepts final responsibility for the financial statements content and presentation.

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

Schedule of Findings & Corrective Action Plan
December 31, 2020

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

Ref. No.

1220-01

Condition:

Inadequate Segregation of Duties – Internal Control
Material Weakness

Criteria:

For effective internal controls, there should be an adequate division of responsibilities.

Cause:

Due to the size of the District's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effect:

To employ such controls may not be cost beneficial.

Name and Title of Contact Person:

Bud Boudreaux, President

Reponses from Board:

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

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

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

Schedule of Findings & Corrective Action Plan
December 31, 2020

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

Ref. No.

1220-02

Condition:

Noncompliance with state laws on Budgeting.

Criteria:

Amendment to the adopted budget is required if total revenues fail to meet total budgets revenue by 5% or more, and/or total actual expenditures exceed total budgeted expenditures by 5% or more, or there has been a change in operation upon which the original adopted budget was developed.

Cause:

The District's expenditures exceeded the original budgeted amounts by more than 5%.

Effect:

The District exceeded the budgeted amount for the cooperative agreement expenditures by more than 5%.

Name and Title of Contact Person:

Bud Boudreaux, President

Responses from Board:

The board agrees to amend the adopted budget if revenues fail to meet total budgeted amounts by 5% or more and/or total actual expenditures exceed total budgeted expenditures by 5% or more, or there has been a change in operation upon which the original adopted budget was developed.



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

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 General Fund and Debt Service Fund of the Lafourche Parish Fire Protection District No. 6 (the District), a component unit of Lafourche Parish Consolidated Government, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 14, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 identify deficiencies in internal control that we consider to be material weaknesses, see finding 1220-01. However, material weaknesses may exist that have not been identified.

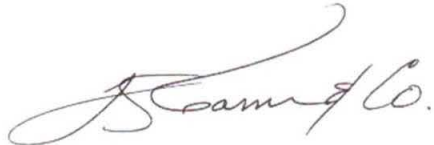
Compliance and Other Matters

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 or other matters that are required to be reported under *Government Auditing Standards*, see finding: 1220-02.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Thibodaux, Louisiana
May 14, 2021