

***TERREBONNE PARISH FIRE DISTRICT NO. 8***

***ANNUAL FINANCIAL REPORT***

***FOR THE YEAR ENDED  
DECEMBER 31, 2019***

**TERREBONNE PARISH FIRE DISTRICT NO. 8**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended December 31, 2019**

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**TERREBONNE PARISH FIRE DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

This discussion and analysis of financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

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

- The net position increased by 9.5% due to this year's operations. At the end of the year assets exceeded liabilities by \$2,128,844 (net position).
- During the year, expenses for fire protection services were \$268,956, a decrease of approximately 30%. Program income decreased slightly and totaled \$18,262. General revenues of \$434,664 were up from the prior year by 4%. At the end of the year revenue exceeded expenses by \$183,970.
- The Governmental fund ended the year with total fund balance of \$1,628,321 of which all is considered unassigned.

**USING THIS ANNUAL REPORT**

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

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**TERREBONNE PARISH FIRE DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

***Government-Wide Financial Statements***

The Statement of Net Position and the Statement of Activities report information as a whole and about activities in a way that reflects whether the financial condition increased or decreased during the year. These statements include all assets and liabilities using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the net position and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the District.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

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

***FINANCIAL ANALYSIS AS A WHOLE (GWFS)***

Net position increased approximately 9.5% from \$1,944,872 to \$2,128,844. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—reflects an increase this year. The balance in net position represents the accumulated results of all past years' operations.

**TERREBONNE PARISH FIRE DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

	Condensed Statement of Net Position		Dollar
	2018	2019	Change
Current and Other Assets	\$1,798,717	\$2,039,328	\$ 240,611
Capital Assets	556,974	500,523	(56,451)
<b>Total Assets</b>	<b>2,355,691</b>	<b>2,539,851</b>	<b>184,160</b>
Current Liabilities	2,149	1,877	(272)
<b>Deferred Inflows</b>	<b>408,668</b>	<b>409,130</b>	<b>462</b>
Net Invested in Capital Assets	556,974	500,523	(56,451)
Unrestricted	1,387,900	1,628,321	240,421
<b>Total Net Position</b>	<b>\$1,944,874</b>	<b>\$2,128,844</b>	<b>\$ 183,970</b>

Program expenses decreased by \$120,000 while program revenue also decreased slightly by \$206. General revenues for the governmental activities increased by \$16,450. The change in net position remained relatively stable.

	Condensed Statement of Activities		Increase
	2018	2019	(Decrease)
Total program expenses	\$ (389,361)	\$ (268,956)	\$ (120,405)
Total program revenues	18,468	18,262	(206)
<b>Net program income</b>	<b>(370,893)</b>	<b>(250,694)</b>	<b>(120,199)</b>
General revenues	418,214	434,664	16,450
<b>Change in Net Position</b>	<b>47,321</b>	<b>183,970</b>	<b>136,649</b>
<b>Net Position:</b>			
Beginning of the year	1,897,553	1,944,874	47,321
End of the year	<b>\$1,944,874</b>	<b>\$2,128,844</b>	<b>\$ 183,970</b>

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

The District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health. A summary of the major fund follows:

**TERREBONNE PARISH FIRE DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

The general fund reported an ending fund balance of \$1,628,321. This reflects an increase of \$240,423 or 17% from last year. Total revenues for the general fund were \$452,926, an increase of 4% from the prior year. Current expenditures for fire protection activities were \$195,408, a decrease of 30% from the prior year. The District expended \$17,095 for capital purchases.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was revised during the year for increases in the estimates for ad valorem taxes collected and expenditures less than budgeted for other services and charges and repairs and maintenance. All variances were favorable and in compliance with the Local Government Budget Act.

**CAPITAL ASSETS**

A summary of capital assets – prior and current year is as follows:

	<b>Beginning Balance</b>	<b>Ending Balance</b>
<b>NON-DEPRECIABLE ASSETS</b>		
Land	\$70,416	\$70,416
<b>DEPRECIABLE ASSETS:</b>		
Buildings & Improvements	813,710	826,336
Vehicles, Machinery & Equipment	1,210,020	1,214,488
Furniture	6,404	6,404
Total Cost of depreciable assets	<u>2,030,134</u>	<u>2,047,228</u>
Total Cost of assets	2,100,550	2,117,644
Total accumulated depreciation	<u>1,543,576</u>	<u>1,617,121</u>
Net depreciable assets	<u>\$486,558</u>	<u>\$430,107</u>
Net capital assets	<u><u>\$556,974</u></u>	<u><u>\$500,523</u></u>

This year there were \$17,095 of capital asset additions during the year. Depreciation of \$73,545 was recorded on capital assets in the governmental activities. More detailed information about the capital assets is presented in Note 6 to the financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 8**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2019*

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances	
	<u>2020</u>
Anticipated revenues	\$462,547
Expenditures:	
Current	199,039
Capital outlay	<u>350,000</u>
Anticipated expenditures	<u>549,039</u>
Net change in fund balance	(86,492)
<b>Fund Balance:</b>	
Beginning of the year	<u>1,574,738</u>
End of the year	<u><u>\$ 1,544,970</u></u>

**CONTACTING FINANCIAL MANAGEMENT**

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

Mr. Michael Anthony, Chairman  
116 Merry Moss St.  
Gibson, LA 70356

# ***FINANCIAL SECTION***





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Commissioners of  
Terrebonne Parish Fire District No. 8  
Gibson, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of Terrebonne Parish Fire District No. 8 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2019, and the notes to the financial statements, which collectively comprise the 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 an opinion on these basic 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 Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting 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 to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation 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 financial position of the governmental activities and each major fund as of December 31, 2019 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

These schedules are 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 are 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 a report dated May 3, 2020, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
May 3, 2020



**TERREBONNE PARISH FIRE DISTRICT NO. 8**

Statement of Net Position

December 31, 2019

<b>ASSETS</b>	
Cash	\$ 1,633,312
Ad Valorem taxes receivable	144,290
Due from other governments - ad valorem taxes	251,033
Prepaid Insurance	10,483
Deposit	210
Capital Assets, net of accumulated depreciation	500,523
<b>TOTAL ASSETS</b>	<b><u>2,539,851</u></b>
 <b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b><i>Liabilities-</i></b>	
Accounts payable and accrued expenses	1,877
 <b><i>Deferred Inflows of Resources-</i></b>	
Property taxes - subsequent year	409,130
 <b>Net Position:</b>	
Net Investment in capital assets	500,523
Unrestricted	1,628,321
<i>Total Net Position</i>	<b><u>\$ 2,128,844</u></b>

See notes to financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 8**

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2019

	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue</u>
<b>FUNCTIONS/PROGRAMS</b>				
Public Safety	\$ 268,956	\$ -	\$ 18,262	\$ (250,694)
Total governmental activities	<u>\$ 268,956</u>	<u>\$ -</u>	<u>\$ 18,262</u>	<u>(250,694)</u>
<b>GENERAL REVENUES</b>				
Ad valorem taxes				428,966
Other				4,857
Interest earned				841
TOTAL GENERAL REVENUES				<u>434,664</u>
<b>CHANGE IN NET POSITION</b>				183,970
<b>NET POSITION:</b>				
		Beginning of year		<u>1,944,874</u>
		End of year		<u>\$ 2,128,844</u>

See notes to the financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 8**

Balance Sheet - Governmental Fund

December 31, 2019

	<b>Total</b>
<b>ASSETS</b>	
Cash	\$ 1,633,312
Ad Valorem taxes receivable	144,290
Due from other governments	251,033
Prepaid Insurance	10,483
Deposit	210
<b>TOTAL ASSETS</b>	<u><u>\$ 2,039,328</u></u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	
<b><i>Liabilities</i></b>	
Accounts payable and accrued expenses	\$ 1,877
<b><i>Deferred Inflows of Resources</i></b>	
Property taxes - subsequent period	409,130
<b><i>Fund balance</i></b>	
Unassigned	1,628,321
<b><i>Total Fund balance</i></b>	<u><u>1,628,321</u></u>
<b>RECONCILIATION TO STATEMENT OF NET ASSETS:</b>	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	
Add - Capital Assets - Non depreciable	70,416
Add - Capital Assets - Depreciable	2,047,228
Deduct - Accumulated Depreciation	<u>(1,617,121)</u>
	500,523
Net assets of governmental activities	<u><u>\$ 2,128,844</u></u>

See notes to financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

**REVENUES**

Ad Valorem Taxes	\$ 428,966
Intergovernmental:	
State Revenue Sharing	5,658
Fire Insurance Rebate	12,604
Other	4,857
Interest	841
<b>TOTAL REVENUES</b>	<u>452,926</u>

**EXPENDITURES**

<b>Current - Public Safety:</b>	
Personal Services	35,900
Supplies and Materials	17,531
Other Services and Charges	82,807
Repairs & Maintenance	59,170
Total Current Expenditures	<u>195,408</u>
<b>Capital outlay</b>	17,095
<b>TOTAL EXPENDITURES</b>	<u>212,503</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>240,423</u>

**FUND BALANCES**

Beginning of year	1,387,898
End of year	<u>\$ 1,628,321</u>

**Net change in fund balances - total governmental funds** \$ 240,423

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.

Add—capital outlay	17,095
Miscellaneous adjustment	(3)
Deduct—depreciation expense	<u>(73,545)</u>
<b>Change in net assets - governmental activities</b>	<u>\$ 183,970</u>

See notes to financial statements.

## **TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A.      Reporting Entity**

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The majority of ad valorem tax revenue is received from Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the District, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. 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 reporting entity. The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish.

#### **B.      Basis of Presentation**

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

##### **Governmental Fund Type**

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.



## **TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **B.      Basis of Presentation (continued)**

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations.

The General Fund accounts for all financial resources and expenditures except those required to be accounted for in other funds.

#### **C.      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 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 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).

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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 court 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 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:

## **TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C.      Measurement Focus / Basis of Accounting (continued)**

**Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2018 property taxes which were levied to finance the 2018 budget are recognized as revenue in 2019. The 2019 tax levy is recorded as deferred revenue in the current financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

**Expenditures** – The major expenditures are recorded when payable or when the fees are incurred.

#### **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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

#### **E. Use of 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.

## **TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **D. Operating Budgets**

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget and a public hearing on the budget prior of adoption. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The District amended its budget for the year ended December 31, 2019. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

#### **E. Cash and Investments**

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

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

#### **F. Receivables**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

## **TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **G.      Capital Assets**

In the government-wide financial statements, additions, improvements and other capital outlays that significantly extend the useful life of an asset are recorded and depreciated (capitalized). Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>CATEGORY</u>	<u>LIFE</u>
BUILDINGS AND IMPROVEMENTS	15-40 YEARS
FURNITURE	5-20 YEARS
MACHINERY & EQUIPMENT	5-20 YEARS

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

#### **H.      Fund Equity**

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

- Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**H. Fund Equity (continued)**

- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as *non-spendable, restricted, committed, assigned, or unassigned*.

- *Non-spendable* fund balance cannot be spent because of its form.
- *Restricted* fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- *Committed* fund balance is a limitation imposed by the Board through approval in minutes.
- *Assigned* fund balances is a limitation imposed by a designee of the Board.
- *Unassigned* fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

**Note 2 DEPOSITS**

A summary of deposits are listed as follows:

	<b>Reported Amount</b>	<b>Bank Balance</b>
<b>Cash</b>	\$1,633,312	\$1,633,312

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the 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.

## **TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

### **Note 2                    DEPOSITS (continued)**

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. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. At year-end \$1,383,312 was exposed to custodial credit risk. These deposits were secured by the market value of collateralized deposits. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these 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 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

### **Note 3                    AD VALOREM TAXES**

Property 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 Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2018 and 2019 was 10.52 per \$1,000 mills of assessed valuation on property within Terrebonne and Lafourche Parish Fire District No. 8 for the purpose providing fire protection within the District.

### **Note 4                    DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units consisted of \$251,033 due from the Terrebonne Parish Tax Collector for ad valorem taxes and state revenue sharing revenue collected but not yet remitted.

**TERREBONNE PARISH FIRE DISTRICT NO. 8**

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

**Note 5 RISK MANAGEMENT**

The District is exposed to various risks of loss related to workmen's compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group health benefits for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

**Note 6 CAPITAL ASSETS**

Information about capital assets and depreciation for the year are summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>NON-DEPRECIABLE ASSETS</b>				
Land	\$ 70,416	\$ -	\$ -	\$ 70,416
<b>DEPRECIABLE ASSETS:</b>				
Buildings & Improvements	813,710	12,625	-	826,335
Vehicles, Machinery & Equipment	1,210,020	4,469	-	1,214,489
Furniture	6,404	-	-	6,404
Total Cost of depreciable assets	<u>2,030,134</u>	<u>17,094</u>	-	<u>2,047,228</u>
Total Cost of assets	2,100,550	17,094	-	2,117,644
<b>ACCUMULATED DEPRECIATION</b>				
Buildings & Improvements	598,652	25,802	-	624,454
Vehicles, Machinery & Equipment	938,442	47,743	-	986,185
Furniture	6,483	-	-	6,483
Total accumulated depreciation	<u>1,543,576</u>	<u>73,545</u>	-	<u>1,617,121</u>
Net depreciable assets	<u>\$486,558</u>			<u>\$430,107</u>
Net capital assets	<u><b>\$556,974</b></u>			<u><b>\$500,523</b></u>

Depreciation Expense of \$73,545 was recorded in the governmental activities.

**Note 7 COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members for the year.

***REQUIRED SUPPLEMENTAL  
INFORMATION***



**TERREBONNE PARISH FIRE DISTRICT NO. 8**Budget Comparison Schedule - General Fund  
For the Year Ended December 31, 2019

	Budgets		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem Taxes	\$408,668	\$438,668	\$428,966	\$ (9,702)
State Revenue Sharing	5,730	5,730	5,658	(72)
Fire Insurance Rebate	12,000	12,000	12,604	604
Other	-	-	4,857	4,857
Interest	500	500	841	341
<b>TOTAL REVENUES</b>	<u>426,898</u>	<u>456,898</u>	<u>452,926</u>	<u>(3,972)</u>
<b>EXPENDITURES</b>				
Public safety - current:				
Personal Services	31,000	31,000	35,900	(4,900)
Supplies and Materials	23,000	23,000	17,531	5,469
Other Services and Charges	158,500	106,500	82,807	23,693
Repairs & Maintenance	58,500	58,500	59,170	(670)
Total public safety - current	<u>271,000</u>	<u>219,000</u>	<u>195,408</u>	<u>23,592</u>
Capital expenditures	-	-	17,095	(17,095)
<b>TOTAL EXPENDITURES</b>	<u>271,000</u>	<u>219,000</u>	<u>212,503</u>	<u>6,497</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>155,898</u>	<u>237,898</u>	<u>240,423</u>	<u>2,525</u>
<b>FUND BALANCES</b>				
Beginning of year	1,387,898	1,387,898	1,387,898	-
End of year	<u>\$ 1,543,796</u>	<u>\$ 1,625,796</u>	<u>\$ 1,628,321</u>	<u>\$ 2,525</u>

## ***OTHER INFORMATION***

**TERREBONNE PARISH FIRE DISTRICT NO. 8**  
 Schedule of Compensation, Benefits and Other Payments to Agency Head  
 For the Year Ended December 31, 2019

**Agency Head Name: Mr. Michael Anthony, Chairman**

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

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

***REPORTS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS***

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# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **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 Commissioners of  
Terrebonne Parish Fire District No. 8  
Gibson, 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 each major fund of the Terrebonne Parish Fire District No. 8, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 3, 2020.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

May 3, 2020  
Thibodaux, Louisiana

