

TERREBONNE PARISH FIRE DISTRICT NO. 8

ANNUAL FINANCIAL REPORT

***FOR THE YEAR ENDED
DECEMBER 31, 2021***

TERREBONNE PARISH FIRE DISTRICT NO. 8
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2021

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TERREBONNE PARISH FIRE DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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, 2021. 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 5.5% due to this year's operations. At the end of the year assets exceeded liabilities by \$2,381,640 (net position).
- During the year, expenses for fire protection services were \$325,014, an increase of approximately 25% from the prior year. Program income decreased and totaled \$18,808. General revenues of \$430,514 increased from the prior year by 8%. At the end of the year net position increased by \$124,308.
- The Governmental fund ended the year with a slight decrease of \$27,453 in fund balance to \$1,469,415 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, 2021

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 position—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 6% from \$2,257,332 to \$2,381,640. Unrestricted net position—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, 2021

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

| | Condensed Statement of Net Position | | Dollar |
|--------------------------------|-------------------------------------|--------------------|-------------------|
| | 2020 | 2021 | Change |
| Current and Other Assets | \$1,928,856 | \$1,929,722 | \$ 866 |
| Capital Assets | 760,464 | 912,225 | 151,761 |
| Total Assets | 2,689,320 | 2,841,947 | 152,627 |
| Current Liabilities | 2,209 | 1,556 | (653) |
| Deferred Inflows | 429,779 | 458,751 | 28,972 |
| Net Invested in Capital Assets | 760,464 | 912,225 | 151,761 |
| Unrestricted | 1,496,868 | 1,469,415 | (27,453) |
| Total Net Position | \$2,257,332 | \$2,381,640 | \$ 124,308 |

Current assets remained relatively stable from the prior year. Capital assets and the net invested in capital assets increased due to the purchase of airpaks for approximately \$247,000. Deferred inflows increased due to the deferred tax levy increase.

Program expenses (mainly supplies and materials; repairs and maintenance; and other services) increased by over \$20,000 while program revenue (mainly 2% fire insurance rebate) decreased by \$12,000. General revenues (mainly property tax revenue) for the governmental activities increased by \$32,000. The change in net position remained relatively stable.

| | Condensed Statement of Activities | | Increase |
|-------------------------------|-----------------------------------|--------------------|-------------------|
| | 2020 | 2021 | (Decrease) |
| Total program expenses | \$ (301,270) | \$ (325,014) | \$ 23,744 |
| Total program revenues | 31,256 | 18,808 | (12,448) |
| Net program income | (270,014) | (306,206) | 36,192 |
| General revenues | 398,502 | 430,514 | 32,012 |
| Change in Net Position | 128,488 | 124,308 | (4,180) |
| Net Position: | | | |
| Beginning of the year | 2,128,844 | 2,257,332 | 128,488 |
| End of the year | \$2,257,332 | \$2,381,640 | \$ 124,308 |

TERREBONNE PARISH FIRE DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

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:

The general fund reported an ending fund balance of \$1,469,415. This reflects a slight decrease of \$27,453 or 2% from last year. Total revenues for the general fund were \$449,322, an increase of 5% from the prior year. Current expenditures for fire protection activities were \$230,026, an increase of 6% from the prior year. The District expended \$246,749 for capital purchases 36 airpaks.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year for increases in budgeted capital expenditures. 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:

| | Beginning Balance | Ending Balance |
|------------------------------------|------------------------------|---------------------------|
| NON-DEPRECIABLE ASSETS | | |
| Land | \$70,416 | \$70,416 |
| DEPRECIABLE ASSETS: | | |
| Buildings & Improvements | 826,335 | 826,335 |
| Vehicles, Machinery & Equipment | 1,559,591 | 1,806,340 |
| Furniture | 6,404 | 6,404 |
| Total Cost of depreciable assets | <u>2,392,330</u> | <u>2,639,079</u> |
| Total Cost of assets | 2,462,746 | 2,709,495 |
| Total accumulated depreciation | <u>1,702,282</u> | <u>1,797,270</u> |
| Net depreciable assets | <u>\$690,048</u> | <u>\$841,809</u> |
| Net capital assets | <u><u>\$760,464</u></u> | <u><u>\$912,225</u></u> |

TERREBONNE PARISH FIRE DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

This year there were \$246,749 of capital asset additions (airpacks) during the year. Depreciation of \$94,988 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget adopted at the November 2, 2021 board meeting includes:

| Condensed Summary of Budgeted Finances | |
|-------------------------------------------|----------------------------|
| | <u>2022</u> |
| Anticipated revenues | \$419,000 |
| Expenditures: | |
| Current | 255,000 |
| Capital outlay | - |
| Anticipated expenditures | <u>255,000</u> |
| Net change in fund balance | 164,000 |
| Fund Balance: | |
| Beginning of the year | <u>1,452,831</u> |
| End of the year | <u><u>\$ 1,616,831</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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the 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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's 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 statement that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation of Payments to the Agency Heads but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2022, on our consideration of the 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of 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 the internal control over financial reporting and compliance.

Stagni & Company

May 13, 2022
Thibodaux, Louisiana



TERREBONNE PARISH FIRE DISTRICT NO. 8

Statement of Net Position

December 31, 2021

| ASSETS | |
|-------------------------------------------------|----------------------------|
| Cash | \$ 1,459,006 |
| Property taxes receivable | 372,120 |
| Due from tax collector | 86,551 |
| Prepaid Insurance | 11,835 |
| Deposit | 210 |
| Capital Assets, net of accumulated depreciation | 912,225 |
| TOTAL ASSETS | <u>2,841,947</u> |
| | |
| LIABILITIES | |
| Accounts payable and accrued expenses | 1,556 |
| | |
| DEFERRED INFLOWS OF RESOURCES | |
| Property taxes levied for the next fiscal year | 458,751 |
| | |
| NET POSITION | |
| Net Investment in capital assets | 912,225 |
| Unrestricted | 1,469,415 |
| TOTAL NET POSITION | <u>\$ 2,381,640</u> |

See notes to financial statements.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2021

| | <u>Expenses</u> | <u>Charges for services</u> | <u>Operating Grants</u> | <u>Net (Expense) Revenue</u> |
|-------------------------------|-------------------|-----------------------------|-------------------------|------------------------------|
| FUNCTIONS/PROGRAMS | | | | |
| Public Safety | \$ 325,014 | \$ - | \$ 18,808 | \$ (306,206) |
| Total governmental activities | <u>\$ 325,014</u> | <u>\$ -</u> | <u>\$ 18,808</u> | <u>(306,206)</u> |
| GENERAL REVENUES | | | | |
| Ad valorem taxes | | | | 418,640 |
| Other | | | | 11,072 |
| Interest earned | | | | 802 |
| TOTAL GENERAL REVENUES | | | | <u>430,514</u> |
| CHANGE IN NET POSITION | | | | 124,308 |
| NET POSITION: | | | | |
| | | Beginning of year | | <u>2,257,332</u> |
| | | End of year | | <u>\$ 2,381,640</u> |

See notes to the financial statements.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Balance Sheet - Governmental Fund

December 31, 2021

| | Total |
|---------------------------------------------------------------------------------------------------------------------|----------------------------|
| ASSETS | |
| Cash | \$ 1,459,006 |
| Property taxes receivable | 372,120 |
| Due from tax collector | 86,551 |
| Prepaid Insurance | 11,835 |
| Deposit | 210 |
| TOTAL ASSETS | <u><u>\$ 1,929,722</u></u> |
| | |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE | |
| <i>Liabilities</i> | |
| Accounts payable and accrued expenses | \$ 1,556 |
| | |
| <i>Deferred Inflows of Resources</i> | |
| Property taxes levied for the next fiscal year | 458,751 |
| | |
| <i>Fund balance</i> | |
| Unassigned | 1,469,415 |
| <i>Total Fund balance</i> | <u><u>1,469,415</u></u> |
| | |
| RECONCILIATION TO STATEMENT OF NET ASSETS: | |
| | |
| 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 | 2,639,079 |
| Deduct - Accumulated Depreciation | <u>(1,797,270)</u> |
| | 912,225 |
| | |
| Net assets of governmental activities | <u><u>\$ 2,381,640</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, 2021

REVENUES

| | |
|-----------------------|----------------|
| Property Taxes | \$ 418,640 |
| Intergovernmental: | |
| State Revenue Sharing | 6,216 |
| Fire Insurance Rebate | 12,592 |
| Other | 11,072 |
| Interest | 802 |
| TOTAL REVENUES | <u>449,322</u> |

EXPENDITURES

| | |
|----------------------------------------|----------------|
| Current - General Government: | |
| Ad valorem tax deduction & adjustments | 14,506 |
| Current - Public Safety: | |
| Personal Services | 41,782 |
| Supplies and Materials | 17,247 |
| Other Services and Charges | 84,667 |
| Repairs & Maintenance | 71,824 |
| Total Current Expenditures | <u>230,026</u> |
| Capital outlay | <u>246,749</u> |
| TOTAL EXPENDITURES | <u>476,775</u> |
| NET CHANGE IN FUND BALANCES | (27,453) |

FUND BALANCES

| | |
|-------------------|---------------------|
| Beginning of year | 1,496,868 |
| End of year | <u>\$ 1,469,415</u> |

Net change in fund balances - total governmental funds **\$ (27,453)**

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 | 246,749 |
| The net effect of various transactions involving capital asset disposals | - |
| Deduct—depreciation expense | (94,988) |
| Change in net assets - governmental activities | <u>\$ 124,308</u> |

See notes to financial statements.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2021

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.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus / Basis of Accounting (continued)

The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2020 property taxes which were levied to finance the 2021 budget are recognized as revenue in 2021. The 2021 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, 2021

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, 2021. 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.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. State law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. Treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost, which approximates fair value, and (2) the Louisiana Asset Management Pool (LAMP) investment which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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.

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.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H. Fund Equity

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

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

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

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- *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.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 DEPOSITS

A summary of deposits are listed as follows:

| | Reported Amount | Bank Balance |
|-------------|------------------------|---------------------|
| Cash | \$1,459,006 | \$1,464,997 |

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.

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 \$1,214,997 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.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 PROPERTY TAX REVENUE

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, 2020 – for revenue recognized in 2021 was 10.52 mills of assessed valuation on property within Terrebonne Parish Fire District No. 8 for the purpose providing fire protection within the District. The assessed values of real property upon which the 2021 property taxes are based on is \$41,087,880.

Note 4 DUE FROM TAX COLLECTOR

The Terrebonne Parish Sheriff collects and remits property taxes on behalf of all taxing districts in Terrebonne Parish. Property taxes receivable represents real property taxes, and outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred revenue since the 2021 levy is budgeted to finance 2022 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a modified accrual basis the revenue is reported as a deferred inflow of resources.

The amount that was collected in December but not yet remitted to the District is considered due from the tax collector; the remaining amount of the total deferred levy is recorded as a property tax receivable. The entire levy is reported as a deferred inflow of resources of \$458,751.

The tax rate for the year 2021 levy – for revenue to be recognized in 2022 was 10.52 mills of assessed valuation on property within Terrebonne Parish Fire Protection District No. 8 for the purpose of providing fire protection within the District. The assessed values of real property upon which the 2021 property tax levy is based on is \$43,607,490.

TERREBONNE PARISH FIRE DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2021

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:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|----------------------------------|----------------------|----------------|-----------|-------------------|
| NON-DEPRECIABLE ASSETS | | | | |
| Land | \$ 70,416 | \$ - | \$ - | \$ 70,416 |
| DEPRECIABLE ASSETS: | | | | |
| Buildings & Improvements | 826,335 | - | - | 826,335 |
| Vehicles, Machinery & Equipment | 1,559,591 | 246,749 | - | 1,806,340 |
| Furniture | 6,404 | - | - | 6,404 |
| Total Cost of depreciable assets | <u>2,392,330</u> | <u>246,749</u> | - | <u>2,639,079</u> |
| Total Cost of assets | 2,462,746 | 246,749 | - | 2,462,746 |
| ACCUMULATED DEPRECIATION | | | | |
| Buildings & Improvements | 648,868 | 24,384 | - | 673,252 |
| Vehicles, Machinery & Equipment | 1,046,932 | 70,604 | - | 1,117,536 |
| Furniture | 6,482 | - | - | 6,482 |
| Total accumulated depreciation | <u>1,702,282</u> | <u>94,988</u> | - | <u>1,797,270</u> |
| Net depreciable assets | <u>\$690,048</u> | | | <u>\$841,809</u> |
| Net capital assets | <u>\$760,464</u> | | | <u>\$912,225</u> |

Depreciation Expense of \$94,988 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, 2021

| | Budgets | | Actual | Variance |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| REVENUES | | | | |
| Property Taxes | \$390,000 | \$390,000 | \$418,640 | \$ 28,640 |
| State Revenue Sharing | 5,607 | 5,607 | 6,216 | 609 |
| Fire Insurance Rebate | 25,649 | 25,649 | 12,592 | (13,057) |
| Other | 500 | 500 | 11,072 | 10,572 |
| Interest | 700 | 700 | 802 | 102 |
| TOTAL REVENUES | <u>422,456</u> | <u>422,456</u> | <u>449,322</u> | <u>26,866</u> |
| EXPENDITURES | | | | |
| General Government-Current | | | | |
| Property tax deduction & adjustment | - | - | 14,506 | (14,506) |
| Public safety - Current: | | | | |
| Personal Services | 43,500 | 43,500 | 41,782 | 1,718 |
| Supplies and Materials | 23,350 | 23,350 | 17,247 | 6,103 |
| Other Services and Charges | 96,050 | 96,050 | 84,667 | 11,383 |
| Repairs & Maintenance | 76,200 | 76,200 | 71,824 | 4,376 |
| Total public safety - current | <u>239,100</u> | <u>239,100</u> | <u>215,520</u> | <u>23,580</u> |
| Capital expenditures | - | 247,340 | 246,749 | 591 |
| TOTAL EXPENDITURES | <u>239,100</u> | <u>486,440</u> | <u>476,775</u> | <u>24,171</u> |
| NET CHANGE IN FUND BALANCES | <u>183,356</u> | <u>(63,984)</u> | <u>(27,453)</u> | <u>36,531</u> |
| FUND BALANCES | | | | |
| Beginning of year | 1,988,587 | 1,496,868 | 1,496,868 | - |
| End of year | <u>\$ 2,171,943</u> | <u>\$ 1,432,884</u> | <u>\$ 1,469,415</u> | <u>\$ 36,531</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, 2021

Agency Head Name: Mr. Michael Anthony, Chairman

| Purpose | Amount |
|-------------------------------------------------------------------------------------------------|---------------|
| Salary | \$0 |
| Benefits-insurance | \$0 |
| Benefits-retirement | \$0 |
| Deferred compensation (contributions made by the agency) | \$0 |
| Benefits-other (describe) | \$0 |
| Car allowance | \$0 |
| Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years) | \$0 |
| Cell phone | \$0 |
| Dues | \$0 |
| Vehicle rental | \$0 |
| Per diem | \$0 |
| Reimbursements | \$0 |
| Travel | \$0 |
| Registration fees | \$0 |
| Conference travel | \$0 |
| Housing | \$0 |
| Unvouchered expenses (expample: 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***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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, 2021, 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 13, 2022.

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 13, 2022
Thibodaux, Louisiana

