

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche
State of Louisiana
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

BAYOU BLUE FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2020

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BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

This discussion and analysis of the Bayou Blue Fire Protection District's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2020. 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 as a result of this year's operations. Net position of our governmental activities increased by \$157,412, or 5.5%. As a result of this year's operations assets exceeded liabilities by \$2,843,653 (net position).
- During the year, expenses were \$781,127 more than the \$6,300 generated in program revenues for governmental programs. General revenues of \$938,539 added to the program revenues made up the shortfall to end the year with revenue exceeding expenditures totaling \$157,412. This compares to last year when revenues exceeded expenses by \$266,339.
- Program expenses increased by \$144,939 or 18.4%.
- Total fund balance for governmental funds was \$1,146,005, a decrease of \$(278,296) or -20%.

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.

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

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. All 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 in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net position increased from \$2,686,241 to \$2,843,653, or about 5.5%. In comparison, last year net position increased by \$266,339 or about 10%. 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—absorbed most of the increase this year. The balance in net position represents the accumulated results of all past years' operations. Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

	Condensed Statement of Net Position		Increase
	FY 2019	FY 2020	(Decrease)
Current and Other Assets	\$ 2,371,267	\$2,188,812	\$ (182,455)
Capital Assets	1,261,940	1,697,648	435,708
Total Assets	3,633,207	3,886,460	253,253
Current Liabilities	9,956	16,524	6,568
Deferred Inflows	937,010	1,026,283	89,273
Net Invested in Capital Assets	1,261,940	1,697,648	435,708
Unrestricted	1,424,301	1,146,005	(278,296)
Total Net Position	\$ 2,686,241	\$2,843,653	\$ 157,412

Current assets – mainly due from tax collector, decreased from the prior year because cash was paid for the purchase of the new fire truck. Capital assets also increased for the excess of purchases of equipment (a new fire truck) and facility improvements over depreciation.

	Condensed Statement of Activities		Dollar
	FY 2019	FY 2020	Change
Total program expenses	\$ (642,489)	\$ (787,427)	\$ 144,938
Total program revenues	6,294	6,300	6
Net program income	(636,195)	(781,127)	(144,932)
General revenues	902,534	938,539	36,005
Change in Net Position	266,339	157,412	108,927
Net Position:			
Beginning of the year	2,419,902	2,686,241	266,339
End of the year	\$ 2,686,241	\$2,843,653	\$ 157,412

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

Program revenues for the governmental activities increased slightly during the current year and program expenses increased by 18.4%.

General revenues – ad valorem taxes, interest, and miscellaneous, increased by 3.8%. The net position increased by \$157,412 or 5.5%.

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.

The General Fund reported total fund balance of \$1,146,005. This reflects a decrease of (\$278,296) or -20% from last year.

Total revenues for governmental funds were \$944,839, an increase from the prior year of \$36,011 or 4%. Current expenditures for governmental activities were \$591,956, an increase from prior year, particularly in salaries and benefits; operating supplies; insurance; building maintenance; and truck maintenance. Capital expenditures for the year were \$631,179 for purchases of a fire truck and a generator.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund expenditures were revised during the year. Authorized budget amendments were approved as follows:

Original Budgeted Expenditures	\$1,543,500
Amendments were made for:	
Decreased current expenditures	(45,000)
Decreased Capital Outlay	(195,000)
Total expenditure amendments	(240,000)
Amended Budgeted Expenditures	\$1,303,500

The District's expenditure variance was in compliance with the State Budget Laws, however, the total revenue variance was unfavorable by 17%.

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

CAPITAL ASSETS

A summary of capital assets at the beginning and end of the year is as follows:

	Beginning Balance 01/01/2020	Ending Balance 12/31/2020
LAND	\$346,850	\$346,850
CIP	\$0	\$10,257
Total Cost of non-depreciable assets	\$346,850	\$357,107
DEPRECIABLE ASSETS:		
Stations & Improvements	448,737	448,737
Machinery & Equipment	573,386	592,320
Vehicles	1,384,507	1,693,630
Total Cost of depreciable assets	2,406,630	2,734,687
ACCUMULATED DEPRECIATION:		
Stations & Improvements	34,255	59,323
Machinery & Equipment	333,416	359,557
Vehicles	1,123,869	975,266
Total accumulated depreciation	1,491,540	1,394,146
Net depreciable assets	\$915,090	\$1,340,541
Total capital assets, net	\$1,261,940	\$1,697,648

During the year there was \$631,179 of additions to capital assets for a vehicle, machinery and equipment, and construction in progress for station improvements. Depreciation of \$173,356 was recorded on capital assets. More detailed information about the capital assets is presented in Note 5 to the financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget include:

	<u>FY 2021</u>
Anticipated revenues	\$1,008,632
Expenditures:	
Current – public safety	786,500
Capital outlay	214,000
Anticipated expenditures	<u>1,000,500</u>
Excess of revenues	8,132
Fund Balance:	
Beginning of the year	<u>1,263,235</u>
End of the year	<u><u>\$1,271,367</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. Andrew Blanchard, Chairman
Bayou Blue Fire Protection District
1870 Bayou Blue Road
Houma, LA 70364

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Bayou Blue Fire Protection District
Houma, LA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bayou Blue Fire Protection District, a component unit of Lafourche Parish Council, as of and for the year ended December 31, 2020, 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.

To the Commissioners of the
Bayou Blue Fire Protection District
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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes 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, 2020 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.



To the Commissioners of the
Bayou Blue Fire Protection District
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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 14, 2021 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 14, 2021



BAYOU BLUE FIRE PROTECTION DISTRICT

Statement of Net Position

December 31, 2020

ASSETS

Cash	\$ 146,440
Investments	978,705
Ad valorem taxes receivable	189,550
Due from other governments	825,260
Prepaid Insurance	38,857
Deposits	10,000
Capital Assets, net of accumulated depreciation	<u>1,697,648</u>
TOTAL ASSETS	<u>3,886,460</u>

LIABILITIES

Accounts payable	<u>16,524</u>
TOTAL LIABILITIES	<u>16,524</u>

DEFERRED INFLOWS OF RESOURCES

Deferred revenue - ad valorem taxes	<u>1,026,283</u>
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NET POSITION

Net Invested in capital assets	1,697,648
Unrestricted	<u>1,146,005</u>
TOTAL NET POSITION	<u><u>\$ 2,843,653</u></u>

See notes to financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Program Revenue			Net Revenue (Expense)
	Expenses	Charges for services	Operating Grants	
Public safety activities:	\$ 787,427	\$ 6,300	\$ -	\$ (781,127)
Total governmental activities	<u>\$ 787,427</u>	<u>\$ 6,300</u>	<u>\$ -</u>	<u>(781,127)</u>
GENERAL REVENUES				
Ad valorem taxes				922,906
State revenue sharing				10,026
Other income				0
Interest earned				<u>5,607</u>
TOTAL GENERAL REVENUES				<u>938,539</u>
CHANGE IN NET POSITION				157,412
NET POSITION:				
		Beginning of year		<u>2,686,241</u>
		End of year		<u>\$ 2,843,653</u>

See notes to the financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT
 Balance Sheet - Governmental Fund - General Fund
 December 31, 2020

ASSETS

Cash	\$	146,440
Investments		978,705
Ad Valorem taxes receivable:		
Terrebonne Parish		89,537
Lafourche Parish		100,013
Due from tax collector:		
Terrebonne Parish		285,680
Lafourche Parish		539,580
Prepaid Insurance		38,857
Deposits		10,000
TOTAL ASSETS	\$	<u>2,188,812</u>

LIABILITIES AND EQUITY

Accounts payable	\$	16,524
TOTAL LIABILITIES		<u>16,524</u>
Deferred Inflows of Resources -		
Terrebonne Parish		386,690
Lafourche Parish		639,593
		<u>1,026,283</u>
FUND BALANCE		
Unassigned		1,146,005
TOTAL FUND BALANCE		<u>1,146,005</u>

**RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR
 GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL
 ACTIVITIES ON THE STATEMENT OF NET POSITION:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add - Capital Assets	3,091,794	
Deduct - Accumulated Depreciation	<u>(1,394,146)</u>	<u>1,697,648</u>
Net assets of governmental activities		<u>\$ 2,843,653</u>

See notes to financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT

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

REVENUES

Ad Valorem Taxes	
Terrebonne Parish	\$ 371,379
Lafourche Parish	551,527
Intergovernmental:	
State Revenue Sharing	
Terrebonne	10,026
Lafourche	0
Fire Insurance Tax	6,300
Interest	5,607
Miscellaneous	0
TOTAL REVENUES	<u>944,839</u>

EXPENDITURES

Public safety - current:	
Salaries & Benefits	295,251
Office supplies	8,392
Gasoline/Diesel/Oil	10,774
Operating supplies	34,553
Uniforms/Firefighter Turnout Gear	9,958
Utilities	7,239
Telephone	8,636
Insurance	49,657
Professional & Other Fees	18,573
Membership dues	100
Travel & Training	739
Community relations	1,233
E-911 Fire Dispatch Services	12,359
Miscellaneous	2,071
Building Repairs & Maintenance	40,120
Communication Equipment Repairs	16,772
Truck Repairs & Maintenance	53,329
Equipment Repairs & Maintenance	22,200
Total public safety - current	<u>591,956</u>
Capital expenditures	<u>631,179</u>
TOTAL EXPENDITURES	<u>1,223,135</u>
NET CHANGE IN FUND BALANCE	<u>(278,296)</u>
FUND BALANCE	
Beginning of year	<u>1,424,301</u>
End of year	<u>\$1,146,005</u>

See notes to financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2020

Net change in fund balances		\$ (278,296)
<p>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.</p>		
Add - Capital outlay	631,179	
Loss on disposal of fire truck	(22,115)	
Deduct - Depreciation expense	(173,356)	435,708
Change in net assets - governmental activities		\$ 157,412

See notes to financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

INTRODUCTION

The Bayou Blue Fire Protection District (the District) encompasses all of the territory within the previously described boundaries of the Lafourche Parish Fire Protection District No. 5 and the Bayou Blue Fire Protection District, now named the "Bayou Blue Fire Protection District of the Parishes of Terrebonne and Lafourche". In accordance with the provisions of R.S. 40:1496(H), the Board of Commissioners are comprised of seven (7) resident property taxpayers of the District, three of which are electors and residents of said District from Terrebonne Parish and four of which are residents of said District from Lafourche Parish. Each term of office is for a length of two (2) years.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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.

B. Reporting Entity

As the governing authority, the Lafourche Parish Government is the financial reporting entity for Lafourche Parish. Because the Lafourche Parish Government could by definition in statute be financially burdened by the Bayou Blue Fire Protection District, the District was determined to be a component unit of the Lafourche Parish Government. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Government, the general government services provided by that governmental unit, or any other governmental reporting entity. The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Lafourche Parish Government.

C. Fund Accounting

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:

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Fund Accounting (continued)

Governmental Fund Type

Governmental funds account for all 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. 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 is used to account for all financial resources and expenditures except those required to be accounted for in other funds.

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund 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).

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.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting (continued)

Fund Financial Statements (FFS) (continued)

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

- **Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2019 property taxes which were levied to finance the 2020 budget are recognized as revenue in 2020. 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 current public safety supplies, insurance and audit and accounting fees 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.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting (continued)

- **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.

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. 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, 2020 as required. 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.

G. Cash and Investments

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

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
 Notes to the Financial Statements
 For the Year Ended December 31, 2020

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

H. 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.

I. Capital Assets

Capital assets are recorded 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. Capital assets are recorded in the GWFS. 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	40 YEARS
TRUCKS	20 YEARS
MACHINERY & EQUIPMENT	5 YEARS

J. Fund Equity

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

1. Net invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
2. 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.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “net invested in capital assets.”

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
 Notes to the Financial Statements
 For the Year Ended December 31, 2020

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Fund Equity (continued)

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

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

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

Note 2 DEPOSITS AND INVESTMENTS

Deposit balances at year end are as follows:

	Per Bank	Reported
Cash	\$163,476	\$146,440
Certificates of Deposit	113,149	108,352
Totals	\$276,625	\$262,463

State law requires that deposits 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 District or with an unaffiliated bank or trust company for the account of the Bayou Blue Fire Protection District.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 5 CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions & Adjustments	Ending Balance
LAND	\$346,850	\$-	\$-	\$346,850
CIP	-	10,257	-	10,257
Total non-depreciable assets	\$346,850	10,257	-	\$357,107
DEPRECIABLE ASSETS:				
Stations & Improvements	448,737	-	-	448,737
Machinery & Equipment	573,386	45,654	(26,720)	592,320
Vehicles	1,384,507	575,268	(266,145)	1,693,630
Total Cost of depreciable assets	2,406,630	620,922	(292,865)	2,734,687
Total Cost of assets	2,753,480	631,179	(292,865)	3,091,794
ACCUMULATED DEPRECIATION:				
Stations & Improvements	34,255	25,068	-	59,323
Machinery & Equipment	333,416	52,861	(26,720)	359,557
Vehicles	1,123,869	95,427	(244,030)	975,266
Total accumulated depreciation	1,491,540	173,356	(270,750)	1,394,146
Net depreciable assets	\$915,090			\$1,340,541
Net Assets	\$1,261,940			\$1,697,648

Depreciation Expense of \$173,356 was recorded in the governmental activities.

Note 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed and also participates in the Parish's risk management program for auto liability. The District's premiums for auto liability are based on claims experience, vehicle type and mileage. The Parish handles all claims filed against the District.

***REQUIRED SUPPLEMENTAL
INFORMATION***

BAYOU BLUE FIRE PROTECTION DISTRICT

Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2020

	Budgets		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes:				
Terrebonne Parish	\$ 312,000	\$ 402,000	\$ 371,379	\$ (30,621)
Lafourche Parish	577,880	667,880	551,527	(116,353)
Intergovernmental:				
State Revenue Sharing:				
Terrebonne Parish	17,176	17,176	10,026	(7,150)
Lafourche Parish	9,500	9,500	-	(9,500)
Fire Insurance Tax	29,000	29,000	6,300	(22,700)
Interest	9,500	9,500	5,607	(3,893)
Miscellaneous	35	35	-	(35)
TOTAL REVENUES	<u>955,091</u>	<u>1,135,091</u>	<u>944,839</u>	<u>(190,217)</u>
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	12,000	12,000	-	12,000
Ad valorem tax adjustments	19,000	19,000	-	19,000
Total general government - current	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>31,000</u>
Public safety - current:				
Salaries & benefits	307,000	282,000	295,251	(13,251)
Office supplies	15,000	15,000	8,392	6,608
Gasoline/Diesel/Oil	10,500	10,500	10,774	(274)
Operating supplies	24,000	24,000	34,553	(10,553)
Uniforms/Firefighter Turnout Gear	60,000	40,000	9,958	30,042
Utilities	7,000	7,000	7,239	(239)
Telephone	5,000	5,000	8,636	(3,636)
Insurance	55,000	55,000	49,657	5,343
Professional Fees	25,500	25,500	18,573	6,927
Membership dues	1,000	1,000	100	900
Travel & Training	15,000	15,000	739	14,261
Community relations	6,500	6,500	1,233	5,267
E-911 Fire Dispatch Services	21,000	21,000	12,359	8,641
Miscellaneous	5,000	5,000	2,071	
Building Repairs & Maintenance	60,000	60,000	40,120	19,880
Communication Equipment Repairs	6,000	6,000	16,772	(10,772)
Truck Repairs & Maintenance	50,000	50,000	53,329	(3,329)
Equipment Repairs & Maintenance	13,000	13,000	22,200	(9,200)
Total public safety - current	<u>686,500</u>	<u>641,500</u>	<u>591,956</u>	<u>59,866</u>
Capital expenditures	<u>826,000</u>	<u>631,000</u>	<u>631,179</u>	<u>(179)</u>
TOTAL EXPENDITURES	<u>1,543,500</u>	<u>1,303,500</u>	<u>1,223,135</u>	<u>90,687</u>
NET CHANGE IN FUND BALANCE	<u>(588,409)</u>	<u>(168,409)</u>	<u>(278,296)</u>	<u>(109,887)</u>
FUND BALANCES				
Beginning of year	1,424,301	1,424,301	1,424,301	-
End of year	<u>\$835,892</u>	<u>\$1,255,892</u>	<u>\$1,146,005</u>	<u>(\$109,887)</u>

***OTHER
INFORMATION***

BAYOU BLUE FIRE PROTECTION DISTRICT
 Schedule of Compensation, Benefits and Other Payments to Agency Head
 For the Year Ended December 31, 2020

Agency Head Name: Mr. Andrew Blanchard, Chairman

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

This form is prepared to satisfy the reporting requirement under R.S. 24:513(A)(3).

***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
Bayou Blue Fire Protection District
Houma, LA

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 Bayou Blue Fire Protection District, a component unit of Lafourche Parish Government as of and for the year ended December 31, 2020, 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 14, 2021.

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.

To the Board of Commissioners
Bayou Blue Fire Protection District
Page 2

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 14, 2021
Thibodaux, Louisiana

