

**ANNUAL FINANCIAL REPORT**  
**ST. TAMMANY PARISH**  
**FIRE PROTECTION DISTRICT NO. 11**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2021**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 11  
Pearl River, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Tammany Parish Fire Protection District No. 11 (District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the 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 Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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 District's 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.



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June 28, 2022  
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*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 and *Government 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 and *Government 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 the District's 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 District's 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.





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***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 8 and 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the District's basic financial statements. The accompanying schedules of compensation paid to board members and compensation, benefits and other payments to agency head are presented to comply with the requirements issued by the State of Louisiana, and are not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**ERICKSEN KRENTEL**<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

St. Tammany Parish Fire Protection District No. 11

June 28, 2022

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the St. Tammany Parish Fire Protection District No. 11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 St. Tammany Parish Fire Protection District No. 11's internal control over financial reporting and compliance.

June 28, 2022

Mandeville, Louisiana

*Ericksen Krentel, LLP*

Certified Public Accountants

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**PEARL RIVER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

This section of St. Tammany Parish Fire Protection District No. 11's (The District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended December 31, 2021. This analysis should be read in conjunction with the audited financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District's net position increased by \$784,671.
- The District's general revenues were \$2,104,234 and program revenues were \$282,179.
- The total expenses of the District were \$1,601,742.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of two sections: Management's Discussion and Analysis and audited financial statements. The financial statements also include notes that provide additional detail of the information included in the financial statements.

**BASIC FINANCIAL STATEMENTS**

The financial statements of the District report information about the District using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the District.

The Statement of Net Position presents information that includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities presents information on how the District's net position changed as a result of current period operations.

The following presents condensed financial information of the District.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**PEARL RIVER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

**SUMMARY OF NET POSITION**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 4,899,650	\$ 4,169,550
Capital assets	<u>1,272,091</u>	<u>982,870</u>
Total assets	<u>\$ 6,171,741</u>	<u>\$ 5,152,420</u>
Current liabilities	\$ 308,277	\$ 145,328
Long-term liabilities	<u>266,641</u>	<u>194,940</u>
Total liabilities	<u>\$ 574,918</u>	<u>\$ 340,268</u>
Net investment in capital assets	\$ 875,546	\$ 787,930
Unrestricted	<u>4,721,277</u>	<u>4,024,222</u>
Total net position	<u>\$ 5,596,823</u>	<u>\$ 4,812,152</u>

Total assets increased by \$1,019,321 (19%) primarily due to an increase in cash of \$669,839, and an increase in capital assets of \$289,221. Total liabilities increased by \$234,650 (68%) due primarily to a new capital lease for fire equipment.

Net position increased by \$784,671 (16%) primarily due to an increase in ad valorem taxes.



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**PEARL RIVER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
General revenues	\$ 2,104,234	\$ 1,944,805
Program revenues	<u>282,179</u>	<u>202,405</u>
Total revenues	2,386,413	2,147,210
Expenses	<u>(1,601,742)</u>	<u>(1,452,282)</u>
Change in net position	784,671	694,928
Beginning net position	<u>4,812,152</u>	<u>4,117,224</u>
Ending net position	<u><u>\$ 5,596,823</u></u>	<u><u>\$ 4,812,152</u></u>

Total revenues increased by \$239,203 due primarily to an increase in ad valorem taxes and charged services. Expenditures/expenses increased by approximately \$149,460 primarily due to an increase in salaries and benefits.

**CAPITAL ASSETS**

Following is a schedule of capital assets, net of accumulated depreciation:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Land	\$ 69,787	\$ 69,787
Buildings	384,551	384,551
Machinery and equipment	<u>2,711,566</u>	<u>2,485,136</u>
	3,165,904	2,939,474
Less: accumulated depreciation	<u>(1,893,813)</u>	<u>(1,956,604)</u>
Total capital assets, net of accumulated depreciation	<u><u>\$ 1,272,091</u></u>	<u><u>\$ 982,870</u></u>

During the current year ended December 31, 2021, the District purchased equipment totaling \$430,033. Depreciation expense was \$140,812 for the year ended December 31, 2021.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**PEARL RIVER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

**LONG-TERM DEBT**

At December 31, 2021, the District had \$24,740 in long-term debt which consisted of a note payable maturing in March of 2023. Additionally, the District had capital leases in the amount of \$371,805 for fire equipment.

**BUDGETARY HIGHLIGHTS**

The following table presents the variance between the final budget and the actual results for the fiscal year.

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,635,364	\$ 1,661,362	\$ 25,998
State revenue sharing	22,716	22,716	-
Fire insurance rebate	58,487	25,383	(33,104)
Grant revenue	100,000	100,000	-
Charges for services (EMS)	176,381	207,591	31,210
Investment earnings	52,237	55,136	2,899
Workers compensation dividend	26,858	26,858	-
Miscellaneous	<u>66,535</u>	<u>51,979</u>	<u>(14,556)</u>
Total	<u>\$ 2,138,578</u>	<u>\$ 2,151,025</u>	<u>\$ 12,447</u>
<b>Expenditures:</b>			
Fire protection and EMS	\$ 1,375,846	\$ 1,382,209	(6,363)
Debt service	70,128	139,572	(69,444)
Capital outlay	<u>135,280</u>	<u>47,485</u>	<u>87,795</u>
Total	<u>\$ 1,581,254</u>	<u>\$ 1,569,266</u>	<u>\$ 11,988</u>

**ECONOMIC FACTORS AND A LOOK AT NEXT YEAR**

In 2022, no revenues or expenses are expected to change significantly during the year.

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and customers with an overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Fire Chief Jack Dockery, St Tammany Parish Fire Protection District No. 11, 64279 LA-3081, Pearl River, Louisiana, 70452.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**ASSETS:**

Cash and cash equivalents	\$ 3,105,456
Receivables:	
Ad valorem taxes, net of allowance for uncollectible taxes of \$35,518	1,670,116
State revenue sharing	34,116
EMS receivable, net of allowance for uncollectible accounts of \$95,618	60,053
Other receivables	6,248
Prepaid expenses	23,661
Capital assets, net of accumulated depreciation	<u>1,272,091</u>
 Total assets	 <u>6,171,741</u>

**LIABILITIES:**

Accounts payable	122,548
Capital leases payable - current	118,031
Notes payable - current	12,166
Sheriff's pension deductions payable	55,825
Capital leases payable - noncurrent	253,774
Notes payable - noncurrent	<u>12,574</u>
 Total liabilities	 <u>574,918</u>

**NET POSITION:**

Net investment in capital assets	875,546
Unrestricted - board designated	418,672
Unrestricted - undesignated	<u>4,302,605</u>
 Total net position	 <u>\$ 5,596,823</u>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
<u>Governmental activities:</u>				
Public Safety	\$ 1,601,742	\$ 220,727	\$ 61,452	\$ (1,319,563)
Total governmental activities	<u>\$ 1,601,742</u>	<u>\$ 220,727</u>	<u>\$ 61,452</u>	<u>(1,319,563)</u>
General revenues:				
				1,750,766
				25,383
				34,116
				26,858
				55,136
				100,000
				<u>111,975</u>
Total general revenues				<u>2,104,234</u>
Change in net position				784,671
Net position - beginning				<u>4,812,152</u>
Net position - ending				<u>\$ 5,596,823</u>

**See accompanying NOTES TO FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
DECEMBER 31, 2021

**ASSETS:**

Cash and cash equivalents	\$ 3,105,456
Receivables:	
Ad valorem taxes, net of allowance for uncollectible taxes of \$35,518	1,670,116
State revenue sharing	34,116
EMS receivable, net of allowance for uncollectible accounts of \$95,618	60,053
Other receivables	6,248
Prepaid expenses	<u>23,661</u>
 Total assets	 <u>\$ 4,899,650</u>

**LIABILITIES:**

Accounts payable and accrued liabilities	\$ 122,548
Sheriff's pension deduction payable	<u>55,825</u>
 Total liabilities	 <u>178,373</u>

**DEFERRED INFLOWS OF RESOURCES:**

Unavailable revenue - property taxes	<u>62,426</u>
 Total deferred inflows of resources	 <u>62,426</u>

**FUND BALANCE:**

Nonspendable: prepaid expenses	23,661
Committed	418,672
Unassigned	<u>4,216,518</u>
 Total fund balance	 <u>4,658,851</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 4,899,650</u>



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
DECEMBER 31, 2021

Fund balance - total governmental funds	\$ 4,658,851
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,272,091
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. All liabilities (both current and long-term) are reported in the Statement of Net Position:	
Capital leases payable	(371,805)
Notes payable	(24,740)
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.	62,426
Net position of governmental activities	\$ 5,596,823

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 3**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General Fund</u>
<b><u>GENERAL REVENUES:</u></b>	
Ad valorem taxes	\$ 1,749,558
Intergovernmental revenues:	
State revenue sharing	34,116
2% Fire tax	25,383
Grant revenue	100,000
Charges for services (EMS)	220,727
Investment earnings	55,136
Workers compensation dividend	26,858
Miscellaneous	<u>51,979</u>
Total general revenues	<u>2,263,757</u>
 <b><u>EXPENDITURES:</u></b>	
Public Safety - Fire Protection:	
Salaries and benefits	870,706
Dispatching	36,937
Office expense	9,434
Insurance	134,942
Professional fees	75,231
Utilities	29,205
Repairs and maintenance	94,426
Supplies	77,743
Fuel and oil	17,129
Training and education	21,618
Other	11,812
Sheriff's pension deduction	55,825
Uniforms	<u>9,452</u>
Total current fire protection expenditures	<u>1,444,460</u>

**See accompanying NOTES TO FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXPENDITURES:**

Debt service - principal	123,102
Debt service - interest	16,470
Capital outlays	<u>370,036</u>
Total expenditures	<u>1,954,068</u>

Excess of revenues over expenditures	309,689
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**OTHER FINANCING SOURCES:**

Capital lease activities	<u>322,551</u>
Total other financing sources	<u>322,551</u>

Net change in fund balance	632,240
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**FUND BALANCE:**

Beginning of year	<u>4,026,611</u>
End of year	<u>\$ 4,658,851</u>

**See accompanying NOTES TO FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Net change in fund balance - governmental fund	\$ 632,240
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation expense of \$140,812 was less than capital asset additions of \$370,032 in the current period	229,220
Repayments of note principal are reported as financing used in governmental funds and thus contribute to the reduction in fund balance. In the Statement of Net Position, however, repayment of debt decreases the long-term liabilities and does not affect the Statement of Activities	123,102
Capital lease activities are reported as other financing sources in the governmental funds; however in the Statement of Net Position capital leases are reported as liabilities	(322,551)
Under the modified accrual basis of accounting used in the governmental funds, advances of derived tax revenues is not recognized until received, rather than as it is earned. This is the amount by which prior year advances of derived tax revenues recognized of \$61,218 were exceeded by current advances of derived tax revenues recognized of \$62,426	1,208
Gains and losses on disposals are not reported in the governmental funds; however, they are reported as revenue in the Statement of Activities	60,000
Forgiveness of debt is not reported in the governmental funds; however it is reported as revenue in the Statement of Activities	<u>61,452</u>
Change in net position	<u>\$ 784,671</u>

**See accompanying NOTES TO FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The mission of St. Tammany Parish Fire Protection District No. 11 (the District) is to provide fire protection in that area of St. Tammany Parish (the Parish) which includes Pearl River, Louisiana. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to government entities. The following is a summary of significant accounting policies.

**Reporting Entity**

The District was created in 1977 by Ordinance 691 of St. Tammany Parish Government. The District is governed by a Board of Commissioners, which is appointed by St. Tammany Parish. The Board consists of five Commissioners who serve two-year terms.

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

GASB Statement No. 14, *The Financial Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a component unit of the St. Tammany Parish Council. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

**Basis of Presentation**

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (continued)**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's fire protection activities and related general administrative services are classified as governmental activities. The District does not have any business-type activities.

**Basic Financial Statements - Government-Wide Financial Statements (GWFS)**

In the government-wide Statement of Net Position (Exhibit A), the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The District's net position are reported in two parts – net investment in capital assets and restricted for fire protection, debt service, and capital outlay.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of the District's function. The function is supported by general government revenues (ad valorem tax). Any program revenues and operating grants received would reduce gross expenses in the Statement of Activities.

This government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from current year's activities.

**Basic Financial Statements – Fund Financial Statements (FFS)**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflow of resources, liabilities, deferred inflow of resources, reserves, fund equity, revenues and expenditures. The District's current operations require the use of only the following fund types:

**Governmental Fund:**

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In general, fund balance represents the accumulated expendable resources, which may be used to finance future operations of the District.

**General Fund**

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

The District records are maintained on the cash basis of accounting. However, the General Fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

Revenues

Property taxes, parcel fees, state revenue sharing, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual, subject to availability, and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Interest income on investments is recorded when the investments have matured and income is available.

All other revenues are recorded when received.

Expenditures

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Receivables and Payables**

All property tax receivables are shown net of a 2% allowance for uncollectibles. The allowance is based on prior years' experience.

Property taxes are levied on a calendar year basis, become due on December 31 and are considered delinquent on January 1. The District authorized and levied a 40.30 mill ad valorem tax for operations and maintenance for the year ended December 31, 2021. The following are the principal taxpayers and related property tax revenue for the entity:

	<u>Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Associated Wholesale Grocers	\$ 13,895,750	25.46%
Rooms to Go Louisiana Corporation	2,645,660	4.84%
Central LA Elec Co	1,643,100	3.01%
NSA Property Holdings LLC	504,475	0.92%
SIKA Investments LLC	412,671	0.75%
Planet Storage LLC	347,926	0.63%
SKF Properties LLC	320,989	0.58%
Bell South Communications	319,323	0.57%
Norfolk Southern Corp	298,890	0.54%
84 Indemnity Company	<u>295,416</u>	<u>0.54%</u>
	<u>\$ 20,684,200</u>	<u>37.84%</u>

**Tax Abatements**

St. Tammany Parish negotiates tax abatement agreements on the District's behalf on an individual basis. The agreements are negotiated under a special exemption through St. Tammany Parish Development District for a variety of economic development purposes, including business relocation, retention, and expansion. The abatements may be granted to any business located within the Parish for promising to relocate to the Parish's geographic area.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tax Abatements (continued)**

The District is subject to in lieu of property tax agreements with two entities as of December 31, 2021:

- Associated Wholesale Grocers – abatement on land, building, and immovable equipment and furniture.
- Rooms to Go – abatement on land, building, and immovable equipment and fixtures.

During the year ended December 31, 2021, the District received \$100,000 in lieu of the property taxes that would have been assessed for these entities.

**Emergency Medical Services (EMS) Receivable**

The District has agreements with other third-party payers that provide for payments at amounts different from its established rates. Net emergency medical service revenue is recorded at the estimated realizable amount from patients, third-party payers, and others for services rendered, based upon prior years' experience and management's analysis of possible bad debts. Emergency medical receivables are charged against the allowance when it is determined by the District that payment will not be received. The current policy is to allow for any accounts that are inactive for three months. For the year ended December 31, 2021, the District provided \$262,073 for contractual adjustments to established rates billed and \$59,578 for an allowance for doubtful accounts.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the government-wide statements. Capital assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold of \$3,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (continued)**

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	40 Years
Vehicles	15 Years
Land improvements	20 Years
Furniture and fixtures	5 Years
Equipment	5 - 10 Years

**Long-Term Debt**

The accounting treatment of long-term debt depends on whether it is reported in the government-wide or fund financial statements.

Government-wide financial statements – All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide financial statements.

Fund financial statements – long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District does not have any items that qualify for reporting in this category.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the District has one item that qualifies for reporting in this category, receipt of ad valorem taxes more than 60 days after year end.



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity Classifications**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment 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 and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
- c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance or resolution.
- d. Assigned – amounts that are designated by the formal action of the government's highest level of decision making authority.
- e. Unassigned – amounts not included in other classifications.

The Board of Commissioners, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment by formal vote at a public board meeting. For assigned fund balance the Board of Commissioners authorizes management to assign amounts for a specific purpose.

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Subsequent events have been evaluated through June 28, 2022, which is the date the financial statements were available to be issued.

**(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

A public hearing was held and the board adopted the budget. The budget is prepared using GAAP basis of accounting. All appropriations lapse at year end. Formal budget integration within the accounting records is employed as a management control device during the year. The board also reviews budget versus actual reports on a monthly basis. Changes or amendments are made upon approval of the board.

**(3) AD VALOREM TAXES**

Ad valorem taxes are levied each November 1<sup>st</sup> on the assessed value listed as of the prior January 1<sup>st</sup> for all real property, merchandise, and movable property located within the Parish. Assessed values are established by the St. Tammany 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. Taxes are due and payable December 31<sup>st</sup> with interest being charged on payments after January 1<sup>st</sup>. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2021 was \$40.30 per \$1,000 of assessed valuation on property within the District for the purpose of constructing, maintaining, and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes.

**(4) CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents at December 31, 2021:

Cash and cash equivalents	<u>\$ 3,105,456</u>
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**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(4) CASH AND CASH EQUIVALENTS (CONTINUED)**

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent, in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the District's name, and deposits which are uninsured or uncollateralized.

At December 31, 2021, the carrying amount and the bank balances of deposits of the primary government are summarized as follows:

	Bank Balances Category			Bank
	1	2	3	Balance
Cash	<u>\$ 3,105,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,105,456</u>

**(5) 2% FIRE INSURANCE TAX**

The District is eligible and receives a pro-rata share of the fire insurance tax collected by the State of Louisiana. The amounts received by the District are based on the population of the areas that it serves. In accordance with Louisiana Revised Statutes (LRS), such money shall be used only for the purpose of "rendering more efficient and efficacious" fire protection, as the District shall direct.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(6) CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b><u>Capital assets not being depreciated</u></b>				
Land	\$ 69,787	\$ -	\$ -	\$ 69,787
Machinery and equipment	<u>-</u>	<u>7,750</u>	<u>-</u>	<u>7,750</u>
Total capital assets not being depreciated	<u>69,787</u>	<u>7,750</u>	<u>-</u>	<u>77,537</u>
<b><u>Capital assets being depreciated</u></b>				
Buildings	384,551	-	-	384,551
Machinery and equipment	<u>2,485,136</u>	<u>422,283</u>	<u>(203,603)</u>	<u>2,703,816</u>
Total capital assets being depreciated	<u>2,869,687</u>	<u>422,283</u>	<u>(203,603)</u>	<u>3,088,367</u>
<b><u>Less accumulated depreciation</u></b>				
Buildings	(204,921)	(10,613)	-	(215,534)
Machinery and equipment	<u>(1,751,683)</u>	<u>(130,199)</u>	<u>203,603</u>	<u>(1,678,279)</u>
Total accumulated depreciation	<u>(1,956,604)</u>	<u>(140,812)</u>	<u>203,603</u>	<u>(1,893,813)</u>
Total capital assets being depreciated, net	<u>913,083</u>	<u>281,471</u>	<u>-</u>	<u>1,194,554</u>
Total capital assets, net	<u>\$ 982,870</u>	<u>\$ 289,221</u>	<u>\$ -</u>	<u>\$ 1,272,091</u>

Depreciation expense of \$140,812 for the year ended December 31, 2021, was charged to fire protection and EMS.

**(7) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities at December 31, 2021 consist of the following:

Vendors	\$ 91,292
Payroll withholdings	665
Accrued salaries and wages	<u>30,591</u>
	<u>\$ 122,548</u>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(8) LONG-TERM DEBT**

The following is a summary of long-term debt for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Community Disaster Loan with FEMA, accrues interest at 2.83% until maturity in February, 2035	\$ 61,452	\$ -	\$ (61,452)	\$ -	\$ -
Note payable with imputed interest at 3.3%, annual payments of \$12,995 until maturity in March, 2023	<u>36,612</u>	<u>-</u>	<u>(11,872)</u>	<u>24,740</u>	<u>12,166</u>
	<u>\$ 98,064</u>	<u>\$ -</u>	<u>\$ (73,324)</u>	<u>\$ 24,740</u>	<u>\$ 12,166</u>

Future maturities of long-term debt are as follows:

<u>Year Ending December 31st:</u>	
2022	\$ 12,166
2023	12,574
2024	-
2025	-

**(9) CAPITAL LEASES**

The District has entered into two capital leases for fire equipment. The assets and liabilities under capital leases are recorded at the lesser of the minimum lease payments or the fair market value of the property received. The assets are being amortized over their estimated useful lives. Amortization of assets under capital leases is included in depreciation expense for the year ended December 31, 2021. Following is a summary of capital leases:

Machinery and equipment	\$ 861,497
Accumulated amortization	<u>(256,464)</u>
	<u>\$ 605,033</u>



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(9) CAPITAL LEASES (CONTINUED)**

Future minimum lease payments under the leases as of December 31, 2021 are as follows:

<u>Year Ending December 31st:</u>	
2022	\$ 126,576
2023	126,576
2024	69,443
2025	<u>69,443</u>
Net minimum lease payments	392,038
Amounts representing interest	<u>(20,233)</u>
Present value of net minimum lease payments	<u><u>\$ 371,805</u></u>

**(10) DEFERRED COMPENSATION PLAN**

The District allows its employees to participate in the Louisiana Public Employees 457(b) Deferred Compensation Plan (the Plan). The Plan was established in accordance with Section 457 of the Internal Revenue Code of 1986, as amended and allows employees to voluntarily elect to contribute a portion of their compensation, up to the lesser of 25% of their compensation or the current IRC limits. The District's contributions for the year ended December 31, 2021 were \$43,106.

**(11) RISKS AND UNCERTAINTIES**

The District is exposed to all common perils associated with fire protection and EMS services. To minimize loss occurrence and transfer risk, the District carries various commercial insurance policies including property, casualty, employee dishonesty, public official's liability, business auto and other miscellaneous policies. These policies are reviewed for adequacy by management annually.

**(12) NEW ACCOUNTING PRONOUNCEMENT**

The GASB has issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as extended by GASB Statement No. 95, The District plans to adopt this Statement as applicable by the effective date.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Amended Budget	Actual	Adjustments to Budgetary Basis	Non-GAAP Budgetary Basis	Variance- Favorable (Unfavorable)
<b>GENERAL REVENUES:</b>						
Ad valorem taxes	\$ 1,586,346	\$ 1,635,364	\$ 1,749,558	\$ (88,196)	\$ 1,661,362	\$ 25,998
Intergovernmental revenues:						
State revenue sharing	31,000	22,716	34,116	(11,400)	22,716	-
2% fire tax	27,000	58,487	25,383	-	25,383	(33,104)
Grant revenue	100,000	100,000	100,000	-	100,000	-
Charges for services (EMS)	168,000	176,381	220,727	(13,136)	207,591	31,210
Investment earnings	40,000	52,237	55,136	-	55,136	2,899
Workers compensation dividend	-	26,858	26,858	-	26,858	-
Miscellaneous	56,000	66,535	51,979	-	51,979	(14,556)
<b>Total general revenues</b>	<b>2,008,346</b>	<b>2,138,578</b>	<b>2,263,757</b>	<b>(112,732)</b>	<b>2,151,025</b>	<b>12,447</b>
<b>EXPENDITURES:</b>						
Public Safety						
Salaries and benefits	1,117,753	902,046	870,706	(6,426)	864,280	37,766
Dispatching	43,000	36,937	36,937	-	36,937	-
Office expense	16,000	9,433	9,434	-	9,434	(1)
Insurance	137,000	138,045	134,942	-	134,942	3,103
Professional fees	102,100	63,014	75,231	-	75,231	(12,217)
Utilities	36,500	29,205	29,205	-	29,205	-
Repairs and maintenance	107,350	96,600	94,426	-	94,426	2,174
Supplies	43,500	41,171	77,743	-	77,743	(36,572)
Fuel and oil	21,200	17,129	17,129	-	17,129	-
Training and education	15,000	21,287	21,618	-	21,618	(331)
Other	15,000	11,614	11,812	-	11,812	(198)
Sheriff's pension deduction	-	-	55,825	(55,825)	-	-
Uniforms	19,000	9,365	9,452	-	9,452	(87)
<b>Total current public safety expenditures</b>	<b>1,673,403</b>	<b>1,375,846</b>	<b>1,444,460</b>	<b>(62,251)</b>	<b>1,382,209</b>	<b>(6,363)</b>
Debt service - principal	150,000	64,130	123,102	-	123,102	(58,972)
Debt service - interest	12,697	5,998	16,470	-	16,470	(10,472)
Capital outlays	85,000	135,280	370,036	(322,551)	47,485	87,795
<b>Total expenditures</b>	<b>1,921,100</b>	<b>1,581,254</b>	<b>1,954,068</b>	<b>(384,802)</b>	<b>1,569,266</b>	<b>11,988</b>
<b>Excess of revenues over expenditures</b>	<b>87,246</b>	<b>557,324</b>	<b>309,689</b>	<b>272,070</b>	<b>581,759</b>	<b>24,435</b>
<b>OTHER FINANCING SOURCES:</b>						
Capital lease activities	-	-	322,551	(322,551)	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>322,551</b>	<b>(322,551)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 87,246</b>	<b>\$ 557,324</b>	<b>\$ 632,240</b>	<b>\$ (50,481)</b>	<b>\$ 581,759</b>	<b>\$ 24,435</b>
<b>FUND BALANCE:</b>						
Beginning of year	4,026,611	4,026,611	4,026,611			
End of year	\$ 4,113,857	\$ 4,583,935	\$ 4,658,851			

**(See Independent Auditors' Report)**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b><u>Board of Commissioners</u></b>	<b><u>Compensation</u></b>
Michelle Blackwell, Board Chairman	\$1,100
Floyd Trascher, Vice-Chairman	\$1,100
Ronald Lindsey, Treasurer	\$1,100
Eugene Swann, Jr., Secretary	\$800
Emile Lombard, Vice-Secretary	\$100

(See Independent Auditors' Report)

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Jack Dockery, Fire Chief**

<u><b>Purpose</b></u>	<u><b>Amount</b></u>
Salary*	\$ 87,874
Benefits - insurance	6,313
Benefits - retirement**	<u>8,439</u>
 Total compensation, benefits and other payments	 <u>\$ 102,626</u>

\* This amount is gross, including State Supplemental Pay of \$6,000 annually.

\*\* This is the employer portion of the retirement contribution.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners  
St Tammany Parish Fire Protection District No. 11  
Mandeville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of St. Tammany Parish Fire Protection District No. 11, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the St. Tammany Parish Fire Protection District No. 11's basic financial statements, and have issued our report thereon dated June 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Fire Protection District No. 11's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Tammany Parish Fire Protection District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Fire Protection District No. 11's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of St. Tammany Parish Fire Protection District No. 11's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



**ERICKSEN KRENTEL**<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners  
St Tammany Parish Fire Protection District No. 11  
June 28, 2022

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Tammany Parish Fire Protection District No. 11's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 28, 2022  
Mandeville, Louisiana

A handwritten signature in cursive script that reads "Ericksen Krentel, LLP".

Certified Public Accountants

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**SECTION I SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of St. Tammany Parish Fire Protection District No. 11.
2. No significant deficiencies or material weaknesses disclosed during the audit of the financial statements is reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements of St. Tammany Parish Fire Protection District No. 11, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. A management letter was not issued for the year ended December 31, 2021.

**SECTION II FINANCIAL STATEMENT FINDINGS**

Not Applicable

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

**Finding 2020-1**

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the District's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles.

Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles have not been established.

**This finding has been resolved in the current year.**



**ST. TAMMANY PARISH FIRE**  
**PROTECTION DISTRICT NO. 11**  
**PEARL RIVER, LOUISIANA**  
**AGREED-UPON PROCEDURES**  
**FOR THE PERIOD**  
**JANUARY 1, 2021 TO JULY 31, 2021**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 11  
Pearl River, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified by the Louisiana Legislative Auditor (LLA) for the fiscal period January 1, 2021 through July 31, 2021, in accordance with Act 774 of 2014 Regular Legislative Session. St. Tammany Parish Fire Protection District No. 11's management is responsible for those C/C areas identified in the agreed-upon procedures.

St. Tammany Parish Fire Protection District No. 11 (the District) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in accordance with Act 774 of 2014 Regular Legislative Session for the fiscal period January 1, 2021 through July 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes

Our procedures and associated findings are detailed in Schedule "1".

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the agreed-upon procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

June 28, 2022  
Mandeville, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11  
AGREED-UPON PROCEDURES  
JANUARY 1, 2021 TO JULY 31, 2021

**Debt Service (follow-up)**

1. **Procedures:** Obtain and inspect the entity's written policies and procedures over debt service and observe that they address (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
2. **Results:** Obtained and inspected the entity's written policies and procedures over debt service and observe that they address debt issuance approval, debt reserve requirements, and debt service requirements. Continuing disclosure/EMMA reporting requirements are not applicable to the district.

**Debt Collection/Write-off (follow-up)**

1. **Procedures:** Obtain and inspect the entity's written policies and procedures over debt collection and write-off and observe that they require a monthly review of the accounts receivable aging schedule(s); methods, time frames, and documentation related to debt collection efforts; and criteria for write-offs.

**Results:** Obtained and inspected the entity's written policies and procedures over debt collection and write-off and observed that they require a monthly review of the accounts receivable aging schedule(s); methods, time frames, and documentation related to debt collection efforts; and criteria for write-offs.

**Information Technology Disaster Recovery/Business Continuity (follow-up)**

1. **Procedures:** Obtain and inspect the entity's written policies and procedures over information technology disaster recovery/business continuity (or the equivalent contractual terms if IT services are outsourced) and observe that they address (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results:** Obtained and inspected the entity's written policies and procedures over information technology disaster recovery/business continuity (or the equivalent contractual terms if IT services are outsourced) and observed that they address (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021 TO JULY 31, 2021

**Sexual Harassment (follow-up)**

1. **Procedures:** Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of Louisiana Revised Statutes (R.S.) 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

**Results:** Obtained and inspected the entity's written sexual harassment policies and procedures and observed that they address all requirements of Louisiana Revised Statutes (R.S.) 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

2. **Procedures:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

**Results:** Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344.

**Fraud Notice**

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

**Results:** The entity did not have any misappropriations of public funds and assets during the fiscal period and obtained management's representation.

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

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