

FIRE PROTECTION DISTRICT NO. 7

**OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Annual Component Unit Financial Statements with
Independent Auditors' Report**

and

**Report on Internal Control Over Financial Reporting and
Compliance and Other Matters**

For the Year Ended September 30, 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Fire Protection District No. 7 of the Parish
of St. Mary, State of Louisiana
Bayou Vista, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund and the respective budgetary comparison for the General Fund of Fire Protection District No. 7 (District) of the Parish of St. Mary, a component unit of the St. Mary Parish Council, as of and for the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise the Fire Protection District No. 7 of the Parish of St. Mary'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 and changes in financial position of the District, as of September 30, 2023, 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 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 opinion.

Responsibility of Management for the Financial Statements

Management is responsible for 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.

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 opinion. 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 judgement 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.

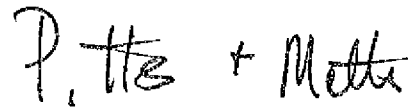
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Requirements by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

March 28, 2024
Morgan City, Louisiana

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Statement of Net Position
September 30, 2023**

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 116,048
Other	320
Total current assets	<u>116,368</u>
Noncurrent assets	
Restricted cash	210,516
Capital Assets	
Property and equipment, net of accumulated depreciation	<u>1,128,819</u>
Total Assets	<u>\$ 1,455,703</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	\$ 6,531
Current portion of long-term debt	64,000
Total current liabilities	<u>70,531</u>
Noncurrent liabilities	
Noncurrent portion of long-term debt	<u>596,000</u>
Total noncurrent liabilities	<u>596,000</u>
Total liabilities	<u>666,531</u>
NET POSITION	
Net Investment in capital assets	468,819
Restricted for:	
Debt service	210,516
Unrestricted	<u>109,837</u>
Total net position	<u>789,172</u>
Total liabilities and net position	<u>\$ 1,455,703</u>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Statement of Activities
For the Year Ended September 30, 2023**

	<u>Total</u>
<u>Expenses</u>	
Advertising	\$ 950
Auto and truck	15,643
Insurance	35,766
Professional services	17,629
Office	2,263
Repair and maintenance	54,870
Salaries and payroll tax	48,667
Supplies	7,642
Utilities and telephone	18,798
Per diem	1,560
Uniforms	818
Miscellaneous	164
Depreciation	150,859
Interest	22,467
Total program expenses	378,096
 <u>General revenues</u>	
Ad valorem taxes	444,029
Miscellaneous revenue	3,039
Total general revenues	447,068
 Total general revenues	447,068
 Increase (decrease) in net position	68,972
 Net position - beginning of year	720,200
Net position - end of year	\$ 789,172

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Balance Sheet
Governmental Funds
September 30, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 116,048	\$ 210,516	\$ 326,564
Other	<u>320</u>	<u> </u>	<u>320</u>
Total assets	<u>\$ 116,368</u>	<u>\$ 210,516</u>	<u>\$ 326,884</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	<u>\$ 6,531</u>	<u> -</u>	<u>\$ 6,531</u>
Total liabilities	<u>6,531</u>	<u> -</u>	<u>6,531</u>
Fund balances:			
Restricted		210,516	210,516
Unassigned	<u>109,837</u>	<u> -</u>	<u>109,837</u>
Total fund balances	<u>109,837</u>	<u>210,516</u>	<u>320,353</u>
Total liabilities and fund balances	<u>\$ 116,368</u>	<u>\$ 210,516</u>	<u>\$ 326,884</u>

Reconciliation of the total fund balance -- total governmental funds
to the net position of governmental activities:

Total fund balance - Governmental Funds	\$	320,353
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		1,128,819
Noncurrent liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet		
Current portion of long-term debt	\$ 64,000	
Noncurrent portion of long-term debt	<u>596,000</u>	<u>(660,000)</u>
Net position of governmental activities	\$	<u>789,172</u>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>			
Ad valorem taxes	\$ 317,030	\$ 126,999	\$ 444,029
Investment income	<u>2,032</u>	<u>1,007</u>	<u>3,039</u>
Total revenues	<u>319,062</u>	<u>128,006</u>	<u>447,068</u>
<u>Expenditures</u>			
Current:			
Advertising	950		950
Auto and truck	15,643		15,643
Insurance	35,766		35,766
Professional services	17,629		17,629
Supplies	7,642		7,642
Office	2,263		2,263
Repair and maintenance	54,870		54,870
Salaries and payroll taxes	48,667		48,667
Utilities and telephone	18,798		18,798
Uniforms	818		818
Per diem	1,560		1,560
Miscellaneous	164		164
Debt service:			
Principal		62,000	62,000
Interest and fiscal charges		22,467	22,467
Capital outlay	<u>82,050</u>		<u>82,050</u>
Total expenditures	<u>286,820</u>	<u>84,467</u>	<u>371,287</u>
Excess of revenues over expenditures	32,242	43,539	75,781
Fund balances, beginning of year	<u>77,595</u>	<u>166,977</u>	<u>244,572</u>
Fund balances, end of year	<u>\$ 109,837</u>	<u>\$ 210,516</u>	<u>\$ 320,353</u>

Reconciliation of the changes in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balance - Governmental Funds \$ 75,781

Amounts reported for governmental activities in the Statement of Activities are different because:

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position. 62,000

Governmental funds report capital outlay expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$82,050) meeting the District's Capitalization policy in the current period was exceeded by depreciation (\$150,859) in the current period. (68,809)

Change in net position of governmental activities \$ 68,972

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY
STATE OF LOUISIANA**

**Budgetary Comparison - General Fund
For the Year Ended September 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Ad valorem taxes	\$ 277,000	\$ 277,000	\$ 317,030	\$ 40,030
Interest income	-	-	2,032	2,032
	<u>277,000</u>	<u>277,000</u>	<u>319,062</u>	<u>42,062</u>
<u>Expenditures</u>				
Current:				
Advertising	1,400	1,400	950	450
Auto and truck	12,000	12,000	15,643	(3,643)
Insurance	30,000	30,000	35,766	(5,766)
Professional services	20,000	20,000	17,629	2,371
Office	1,200	1,200	2,263	(1,063)
Per diem	2,000	2,000	1,560	440
Repair and maintenance	50,000	50,000	54,870	(4,870)
Salaries and payroll taxes	50,000	50,000	48,667	1,333
Supplies	12,000	12,000	7,642	4,358
Utilities and telephone	21,000	21,000	18,798	2,202
Training	5,000	5,000	-	5,000
Uniforms	1,100	1,100	818	282
Miscellaneous	25,500	25,500	164	25,336
Taxes and license	200	200	-	200
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>82,050</u>	<u>(52,050)</u>
	<u>261,400</u>	<u>261,400</u>	<u>286,820</u>	<u>(25,420)</u>
Excess of revenues over expenditures	15,600	15,600	32,242	16,642
Fund balance at beginning of year	<u>147,733</u>	<u>208,222</u>	<u>77,595</u>	<u>(130,627)</u>
Fund balance at end of year	<u>\$ 163,333</u>	<u>\$ 223,822</u>	<u>\$ 109,837</u>	<u>\$ (113,985)</u>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF
ST. MARY, STATE OF LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 7 (the District) of the Parish of St. Mary, State of Louisiana, was created by Ordinance No. 1008 of the St. Mary Parish Council on May 27, 1987. Active operations of the District began on October 24, 2007. The District encompasses the area of the Parish known as Bayou Vista. The purpose of the District is to provide fire prevention, fire protection, medical assistance, and extrication rescue. The District's firefighters are volunteers of the Bayou Vista Volunteer Fire Department.

The financial statements of Fire Protection District No. 7 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Based upon the above criteria, the District is a component unit and integral part of the St. Mary Parish Council (the primary government).

These financial statements include only the operations of the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements - Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities which report all activities of the District as a whole. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

C. Basic Financial Statements - Fund Financial Statements

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 comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following is a description of the funds utilized by the District.

Governmental Funds

The District considers both of its governmental funds to be major funds.

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

D. Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, all deferred outflows of resources, all liabilities, all deferred inflows of resources (whether current or noncurrent) are included on the statement of net position and the statement of activities presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Fund Financial Statements

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities, and current deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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 can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the District uses a thirty day period after year end).

E. Revenues

The following is a summary of the District's recognition policies for its major revenue sources:

Ad valorem taxes (which are based on population and homesteads in the District) are recorded in the year taxes are assessed and collected.

Interest earnings are generally recorded when earned.

Substantially all other revenues are recorded when received.

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.

F. Expenses/Expenditures

The government-wide financial statements recognize expenses under the accrual basis of accounting and records the related liability at the time the expense is incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on long-term debt which is not recognized until due.

G. Budgets

Annual appropriated budgets are adopted for the General Fund. The District is not required and does not adopt budgets for its Debt Service Fund. For these reasons, the financial statements do not contain a budget to actual comparisons for this fund. Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. Budgets are amended when necessary with Board approval. In the financial statement comparison of the budget to actual amounts, both the original and final amended budget amounts are shown. The budget comparison is presented as a basic financial statement.

H. Cash and Cash Equivalents

Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include bank deposits and/or certificates of deposit with original maturities of less than three months.

I. Fixed Assets

The accounting treatment over property, plant, equipment (fixed assets) depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Costs include all auxiliary costs to place the assets in service including delivery fees, freight and ancillary costs. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of the fixed assets:

<u>Category</u>	<u>Years</u>
Building	40
Equipment	3-10
Vehicles	5-15

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operation are accounted for as capital outlay expenditures of the governmental fund when payment is made.

J. Long-term Debt

Government-wide Financial Statements

In the government-wide financial statements, all long-term debt is reported as a liability. The long-term debt of the District consists of bonds payable.

Fund Financial Statements

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

K. Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in the three components:

- a) Net investment in capital assets - Consists of capital assets and deposits set aside to purchase capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - Consists of net position with constraints placed on its 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.
- c) Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

Governmental fund equity may be classified by five categories: nonspendable, restricted, committed, assigned, and unassigned. At present, the District only requires reporting of restricted and unassigned. Restricted represents those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Unassigned represents those portions of fund equity that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the general fund.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition the District does not have a formal investment policy related to credit risk (including concentrations of credit). However the District does follow state law as to limitations on types of deposits and investments as described below.

The District does not invest in any investments subject to foreign currency risk.

Under state law the District may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

At year end, the carrying amount of the District's cash was \$326,564 and the bank balance was \$328,264 (all of which was covered by federal depository insurance).

NOTE 3 - TAXES

The District's property tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and taxes are considered delinquent January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. The District actually receives most of the taxes in January.

The District receives 6.96 mils of property tax, 4.96 mils is distributed to the General Fund and dedicated to operations and maintenance and 2.0 mils is distributed to the Debt Services Fund and dedicated to debt retirement.

Based upon the taxable assessed value of the property within the District each mil of assessment generated approximately \$63,500 of tax revenue in 2023.

For the upcoming year the District maintained the property tax at 6.96 mils (4.96 mils for operations and maintenance and 2.0 mils for debt retirement).

NOTE 4 - FIXED ASSETS

Capital assets activity for the year ended September 30, 2023 is as follows:

	Balance September 30, <u>2022</u>	<u>Additions</u>	<u>Reclassification</u>	Balance September 30, <u>2023</u>
Capital assets not being depreciated				
Land	\$ 7,000			\$ 7,000
Total capital assets not being depreciated	<u>7,000</u>			<u>7,000</u>
Capital assets				
Building and improvements	\$ 557,629		3,547	\$ 561,176
Equipment	1,064,689	55,514	(15,559)	1,104,644
Vehicles	1,445,649	26,536	12,012	1,484,197
Total other capital assets at historical cost	<u>3,067,967</u>	<u>82,050</u>		<u>3,150,017</u>
Total capital assets	<u>3,074,967</u>	<u>82,050</u>		<u>3,157,017</u>
Less accumulated depreciation for:				
Building and improvements	(122,303)	(18,410)	(12,390)	(153,103)
Equipment	(632,303)	(73,718)	120,137	(585,884)
Vehicles	(1,122,733)	(58,731)	(107,747)	(1,289,211)
Total accumulated depreciation	<u>(1,877,339)</u>	<u>(150,859)</u>		<u>(2,028,198)</u>
Other capital assets, net	<u>1,190,628</u>	<u>(68,809)</u>		<u>1,121,819</u>
 Total capital assets, net	 <u>\$ 1,197,628</u>	 <u>\$ (68,809)</u>	 <u>\$ -</u>	 <u>\$ 1,128,819</u>

Depreciation expense for the year is approximately \$150,000.

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the period ended September 30, 2023:

Balance at September 30, 2022	\$ 722,000
Reductions-regular payments	(62,000)
Balance at September 30, 2023	<u>\$ 660,000</u>

Obligations payable at September 30, 2023, are as follows:

General Obligation Bonds

\$1,250,000 of General Obligation Bonds were issued on August 30, 2012, for the purpose of acquiring, constructing, and improving fire protection facilities, machinery, and equipment. The bonds bear interest at a rate of 3.15 percent and are payable through the year 2032. The bonds are to be retired with ad valorem taxes by the Debt Service Fund.

\$660,000
\$660,000

The following is an approximation of future debt requirements at September 30, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 64,000	\$ 19,782	\$ 83,782
2025	67,000	17,719	84,719
2026	69,000	15,577	84,577
2027	71,000	13,372	84,372
2028	73,000	11,104	84,104
2029-2032	<u>316,000</u>	<u>20,318</u>	<u>336,318</u>
	<u>\$660,000</u>	<u>\$97,872</u>	<u>\$757,872</u>

NOTE 5 - LONG-TERM DEBT (continued)

The District is subject to certain affirmative and negative covenants pursuant to its bond and debt agreements. The covenants include but are not limited to:

1. Establishment and funding of a debt service fund.
2. Restriction as to additional debt issuance.

NOTE 6 - RELATED PARTIES

The District and the Bayou Vista Volunteer Fire Department jointly provide fire protection for the area. The Bayou Vista Volunteer Fire Department provides the use of the fire station, fire trucks, certain fire equipment, and services of volunteer firefighters. No amounts are reported for these items or services in these financial statements.

NOTE 7 - COMPENSATION OF BOARD MEMBERS AND CHIEF EXECUTIVE OFFICER

The Chairman (the Chief Executive Officer did not receive any additional reimbursement of expenses, benefits, or compensation other than regular per diem) and the other board members received the following per diems for the year ended September 30, 2023.

Myron Bourque (Chairman & Chief Executive Officer)	\$ 360
Alvin Lodrigue	90
Bryan Roy	360
David Picou	300
Jason Hunt	210
Lana Luke	240
	<u>\$1,560</u>

NOTE 8 - CONCENTRATIONS

Ad valorem taxes accounted for approximately 99% of the District's revenues.

NOTE 9 – BUDGET VARIANCES

Actual expenditures exceeded appropriated expenditures by significant amounts in the following fund for 2023.

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Unfavorable Variance</u>
General Fund	\$286,820	\$261,400	\$(25,420)

This variance is a material finance related legal provision violation.

NOTE 10 – 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; injuries to employees; and natural disasters. The District is named insured on commercial insurance policies, which covers its exposure to loss. The District is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended September 30, 2023. Settlements in the prior three years have not exceeded insurance coverages.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE
AND OTHER MATTERS SECTION



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

Board of Commissions
Fire Protection District No. 7, of the Parish
of St. Mary, State of Louisiana
Bayou Vista, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the budgetary comparisons for the General Fund of Fire Protection District No. 7 of the St. Mary Parish (District) as of the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 28, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the 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.

Compliance and Other Matters

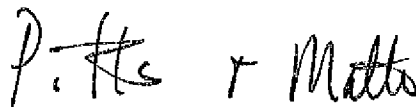
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is detailed in the accompanying schedule of findings as 2023-001.

The District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 organization'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 organization'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 considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

March 28, 2024
Morgan City, Louisiana

FIRE PROTECTION DISTRICT NO. 7
Of the Parish of St. Mary, State of Louisiana

Schedule of Findings
For the Year Ended September 30, 2023

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the Fire Protection District No. 7 of the Parish of St. Mary.

2. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

No findings are required to be reported for the year ended September 30, 2023.

Compliance and Other Matters

There was one material instance of noncompliance or other matters required to be reported for the year ended September 30, 2023.

3. Federal Awards

This section is not applicable for the year ended September 30, 2023.

4. Management Letter

No letter was issued.

B.FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

NO MATTERS TO BE REPORTED

COMPLIANCE AND OTHER MATTERS

ITEM NO. 2023-001 NONCOMPLIANCE WITH BUDGET MONITORING

Auditors' Comments

Condition: During the course of the audit for the year ended September 30, 2023, it was noted that the District's operating budget needed amendments which were not made.

Criteria: State Statues require that budgets be amended when actual revenues are less than budgeted revenues by five percent or more or actual expenditures exceed budgeted expenditures by five percent or more.

Effect: Failure to amend budgets to recognize anticipated shortfalls in funds prevents the District from effectively curtailing projects and/or services in accordance with actual available resources.

Cause: The operating budget was not amended although actual expenditures were more than budgeted expenditures by five percent or more:

<u>Fund</u>	<u>Actual Amount</u>	<u>Budgeted Amount</u>	<u>Variance</u>	<u>Percent</u>
General Fund	\$286,820	\$261,400	\$(25,420)	9.7%

Recommendation: The District should fine tune its budget monitoring program to periodically make budget adjustment when variances exceed percentages as specified in the state statue.

Management's Response: We will monitor budget variances on a monthly basis and budget adjustments will be made when variances exceed the percentages as specified in the state statue.

C. FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS PROGRAMS

This section is not applicable for the year ended September 30, 2023.

SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION
PREPARED BY FIRE PROTECTION DISTRICT NO. 7
OF ST. MARY PARISH, STATE OF LOUISIANA

COMPLIANCE AND OTHER MATTERS

Item No. 2022-001 Noncompliance with Budget Monitoring

Condition: During the course of the audit for the year ended September 30, 2021, it was noted that the District's operating budget needed amendments which were not made.

Corrective Action: This has not been corrected.

St. Mary Parish Fire Protection District 7
P.O. Box 143
Berwick, LA 70342

March 28, 2024

Mr. Michael J "Mike" Waguespack, CPA
Legislative Auditor, State of Louisiana
P.O. Box 94397
Baton Rouge, La. 70804-9397

Dear Mr. Waguespack,

Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana respectfully submits the following corrective action plan for our year ended September 30, 2023.

CORRECTION ACTION:

Person Responsible: Myron Bourque
Fire Protection District No. 7 of the Parish of St. Mary
P.O. Box 143
Berwick, LA 70342

Noncompliance RE: Item No. 2023-001

Noncompliance with Budget Monitoring. Our auditors notified us that we did not amend our budget as required by State Statute.

Corrective Action: We will monitor budget variances on a monthly basis and budget adjustments will be made when variances exceed the percentages as specified in the state statute.

This plan of action being submitted in accordance with Legislative requirements. If you have any questions concerning this action, contact the undersigned.

Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana

Myron Bourque
Chairman

