

St. Helena Parish Fire Protection District No. 4
Greensburg, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2022
With Supplemental Information Schedules

St Helena Parish Fire Protection District No. 4
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Annual Financial Statements
As of and for the Year Ended December 31, 2022
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
St. Helena Fire Protection District No. 4
Greensburg, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Helena Fire Protection District No. 4, Greensburg, Louisiana, a component unit of the St. Helena Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the St. Helena Fire Protection District No. 4'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, each major fund, and the aggregate remaining fund information of the St. Helena Fire Protection District No. 4, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 St. Helena Fire Protection District No. 4, 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 St. Helena Fire Protection

District No. 4'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the St. Helena Fire Protection District No. 4'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 St. Helena Fire Protection District No. 4'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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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

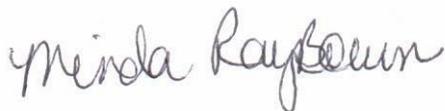
the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Helena Fire Protection District No. 4's basic financial statements. The accompanying schedule of compensation paid to board members and schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a 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 schedule of compensation paid to board members and schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2023 on our consideration of the St. Helena Fire Protection District No. 4'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 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 St. Helena Fire Protection District No. 4's 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. Helena Fire Protection District No. 4's internal control over financial reporting and compliance.



Minda B. Raybourn
Franklinton, LA
July 29, 2023

Required Supplemental Information (Part I)
Management's Discussion and Analysis

St. Helena Fire Protection District Number 4
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2022

Introduction

The St. Helena Fire Protection District Number 4, Greensburg, Louisiana (the District) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The District's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's financial statements in this report.

Financial Highlights

- At December 31, 2022, the District's assets exceeded its liabilities by \$411,139 (net position). Of this amount, \$316,252 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens.
- For the year ended December 31, 2022, the District's net position decreased by \$89,382.
- At December 31, 2022, the District's governmental funds reported combined ending fund balances of \$424,496, an increase of \$79,286 for the year. Of this amount, approximately 74.50% is available for spending at the District's discretion (unassigned fund balances).
- For the year ended December 31, 2022, the District's total debt for governmental funds increased by \$750,000 due to issuance of Series 2022, General Obligation Bond.

Overview of the Annual Financial Report

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**St. Helena Fire Protection District Number 4
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2022**

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. It now provides readers a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private sector. If the District determines that presentation of a component unit (which are other governmental units for which the District can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the St. Helena Fire Protection District Number 4 has no component units.

The Statement of Net Position presents information on all the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The District uses one category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the District's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**St. Helena Fire Protection District Number 4
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2022**

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Outlay Fund, and the Debt Service Fund, which are considered to be major funds. The basic governmental fund financial statements can be found on Statements A and B of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

Net Position 2022 and 2021		
	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Assets		
Current and other Assets	\$ 481,547	\$ 385,531
Capital Assets	775,444	176,659
Total Assets	1,256,991	562,190
Liabilities		
Long-Term Debt Outstanding	733,479	21,310
Other Liabilities	112,373	40,359
Total liabilities	845,852	61,669
Net Position:		
Net Investment in		
Capital Assets	(13,357)	155,311
Restricted for Debt Service	67,549	-
Restricted for Capital Outlay	40,695	-
Unrestricted	316,252	345,210
Total Net Position	\$ 411,139	\$ 500,521

A large portion of the District's total assets is its investment in capital assets (e.g., land, land improvements, buildings, equipment, etc.) of \$775,444. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The District had \$316,252 in unrestricted net position that may be used to meet the District's ongoing obligations to citizens and creditors.

The District's Net Investment in Capital Assets of \$(13,357) indicates the amount of related debt in capital assets that exceeds the amount of the investment in capital assets.

**St. Helena Fire Protection District Number 4
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2022**

At the end of the current fiscal year, the District was able to report positive overall net position balances in both the government-wide and governmental activities. The same held true for the prior fiscal year.

**Changes in Net Position
For the years ended December 31, 2022 and 2021**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 30,040	\$ 30,000
Operating Grants and Contributions	971	103,194
Capital Grants and Contributions	14,577	-
General Revenues		
Ad Valorem Taxes	434,208	350,672
Interest Income	1,359	701
Gain on Sale of Assets	352	36,667
Fire Insurance Rebates	12,274	6,384
Other Income	1,278	1,000
Transfers In/Out Local Gov't	18,975	-
Total Revenues	<u>514,034</u>	<u>528,618</u>
Expenses:		
Public Safety	585,963	502,020
Interest	17,453	1,726
Total Expenses	<u>603,416</u>	<u>503,746</u>
Change in Net Position	(89,382)	24,872
Net Position-Beginning	500,521	475,649
Net Position-Ending	<u>\$ 411,139</u>	<u>\$ 500,521</u>

Governmental Activities

The District's net position decreased by \$89,382.

The District's revenues decreased by \$14,584 from the prior year due to a decrease in operating grants of \$102,223, and an increase in Ad Valorem Taxes of \$83,536.

Expenses of the District increased by \$99,670 related to increase in various fire protection expenses.

Fund Financial Analysis

As of the end of the current fiscal year, the District's General Fund, Capital Outlay Fund, and Debt Service Fund reported ending fund balances of \$316,252, \$40,695 and \$67,549, respectively. This represents an increase of \$79,286 from the prior year.

**St. Helena Fire Protection District Number 4
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2022**

General Fund Budgetary Highlights

For the general fund, there were no variances of actual expenditures to final budgeted amounts that would constitute a violation of state budget law. The District also maintains a positive fund balance.

- Total Actual revenue was more than the final budget by \$8,976 for 2022.
- The budgeted capital outlay expenditures increase by \$9,361 from the final budget.
- Actual expenditures for 2022 were more than the final amended budget by \$7,696.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2022 amounts to \$775,444 (net of depreciation). The total increase in the District's investment in capital assets for the current fiscal year was \$598,785 (net of depreciation).

Capital additions included various vehicles of \$403,414, various equipment of 110,271, construction in progress of new fire station of 140,581, and capital disposals included various vehicles and equipment totaling \$22,362.

The following table provides a summary of the District's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2022 and 2021**

Capital Assets	Governmental Activities	
	2022	2021
Land	\$ 14,318	\$ 14,318
Construction in Progress	140,581	-
Buildings & Improvements	100,695	100,695
Equipment	439,718	331,536
Equipment-Finance Purchased	15,449	15,449
Vehicles	643,925	260,784
Vehicles-Finance Purchased	20,761	20,761
Total	1,375,447	743,543
Less Accumulated Depreciation	(600,003)	(566,884)
Net Capital Assets	\$ 775,444	\$ 176,659

**St. Helena Fire Protection District Number 4
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2022**

Long-Term Debt

At December 31, 2022, the District had total debt outstanding of \$771,310. Of this total, \$37,831 is due within one year and \$733,479 is due within greater than one year. The following table provides a summary of the District's outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 8 to the financial statements in this report.

Outstanding Debt		
2022 and 2021		
	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenue Bonds	\$ 750,000	\$ -
Capital Leases	21,310	21,310
Total Outstanding Debt	<u>\$ 771,310</u>	<u>\$ 21,310</u>

Economic Factors and next year's Budget and Rates

The District expects, based on current trends, that ad valorem tax revenue will remain relatively stable, and the Board will actively monitor expenditures to ensure that the District remains in compliance with requirements of budget law and sound financial management.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances and show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Eric Washington, President, St. Helena Fire Protection District No. 4, 8352 Hwy 37, Greensburg, Louisiana, 70441.

Basic Financial Statements
Government-Wide Financial Statements

Statement A

St. Helena Fire Protection District Number 4

Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 49,761
Intergovernmental	
Accounts Receivable	419,447
Prepaid Insurance	12,339
Total Current Assets	481,547
Land	14,318
Capital Assets, Net	761,126
Total Capital Assets	775,444
TOTAL ASSETS	1,256,991
LIABILITIES	
Current Liabilities	
Accounts Payable	43,029
Other Accrued Payables	14,022
Current Portion of Long-Term Debt	37,831
Accrued Interest Payable	17,491
Total Current Liabilities	112,373
Long Term Liabilities	
Long-Term Debt, net of Current Portion	733,479
Total Long Term Liabilities	733,479
TOTAL LIABILITIES	845,852
NET POSITION	
Net Investment in capital assets	(13,357)
Restricted for:	
Debt Service	67,549
Capital Outlay	40,695
Unrestricted	316,252
TOTAL NET POSITION	\$ 411,139

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

St. Helena Fire Protection District Number 4

Statement B

Statement of Activities
For the Year Ended December 31, 2022

		<u>Program Revenues</u>			<u>Net(Expenses)</u>	<u>Revenues and</u>	<u>Changes of</u>	<u>Primary</u>
	<u>(Expenses)</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenues</u>	<u>Governmental</u>	<u>Government</u>	
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>		<u>Activities</u>		
			<u>Contributions</u>	<u>Contributions</u>				
Governmental Activities								
Public Safety, Fire Protection	\$ (585,963)	\$ 30,040	\$ 971	\$ 14,577	\$ (540,375)	\$		(540,375)
Interest Expense	(17,453)	-	-	-	(17,453)			(17,453)
Total Governmental Activities	\$ (603,416)	\$ 30,040	\$ 971	\$ 14,577	\$ (557,828)	\$		(557,828)
General Revenues:								
Taxes:								
Ad Valorem Taxes								434,208
Intergovernmental								-
Transfers in (Out) Other Gov't								18,975
Interest Income								1,359
Fire Insurance Rebates								12,274
Gain on Sale of Assets								352
Miscellaneous								1,278
Total General Revenues and Transfers								468,446
Change in Net Position								(89,382)
Net Position - Beginning								500,521
Net Position - Ending								\$ 411,139

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

Basic Financial Statements
Fund Financial Statements

STATEMENT C

St. Helena Fire Protection District Number 4
Balance Sheet, Governmental Funds
December 31, 2022

	<u>General Fund</u>	<u>Cap Outlay Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 7,612	\$ 40,695	\$ 1,454	\$ 49,761
Intergovernmental	-	-	-	-
Accounts Receivable	351,066	-	68,381	419,447
Due from Other Funds	-	-	-	-
Prepaid Insurance	12,339	-	-	12,339
TOTAL ASSETS	<u>371,017</u>	<u>40,695</u>	<u>69,835</u>	<u>481,547</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payables	43,029	-	-	43,029
Other Accrued Liabilities	11,736	-	2,286	14,022
Due to Other Funds	-	-	-	-
Total Liabilities	<u>54,765</u>	<u>-</u>	<u>2,286</u>	<u>57,051</u>
Fund balances:				
Nonspendable:				
Prepays	12,339	-	-	12,339
Restricted for:				
Debt Service	-	-	-	-
Capital Outlay	-	40,695	-	40,695
Unassigned	303,913	-	67,549	371,462
Total Fund Balance	<u>316,252</u>	<u>40,695</u>	<u>67,549</u>	<u>424,496</u>
TOTAL LIABILITIES AND FUND BALAN	<u>\$ 371,017</u>	<u>\$ 40,695</u>	<u>\$ 69,835</u>	<u>\$ 481,547</u>

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

STATEMENT D

St. Helena Fire Protection District Number 4
Reconciliation of The Governmental Funds Balance Sheet
to The Government-Wide Financial Statement of Net Position

As of December 31, 2022

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

Fund Balances, Total Governmental Funds (Statement C)	\$ 424,496
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.	
Governmental Capital Assets net of depreciation	739,234
Governmental Financed Purchase Assets net of depreciation	36,210
Long term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Long-Term Debt	(771,310)
Accrued interest on bonds payable and capital lease payable are not accrued in the governmental funds.	
Accrued Interest Payable	(17,491)
Net Position of Governmental Activities (Statement A)	<u>\$ 411,139</u>

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

St. Helena Fire Protection District Number 4
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2022

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Ad Valorem Taxes	\$ 364,375	\$ -	\$ 69,833	\$ 434,208
Service Fees	30,040	-	-	30,040
Intergovernmental	971	14,577	-	15,548
Interest	621	738	-	1,359
Fire Insurance Rebates	12,274	-	-	12,274
Miscellaneous	1,278	-	-	1,278
On Behalf Payments	-	-	-	-
Total Revenues	<u>409,559</u>	<u>15,315</u>	<u>69,833</u>	<u>494,707</u>
EXPENDITURES				
Retirement System Contribution	11,735	-	2,286	14,021
Public Safety: Fire				
Salaries	154,535	-	-	154,535
Benefits	39,014	-	-	39,014
Payroll Taxes	11,822	-	-	11,822
Insurance	27,470	-	-	27,470
Fuel & Vehicle Expense	91,721	15,718	-	107,439
Professional Fees	17,906	12,075	-	29,981
Advertising	-	6,580	-	6,580
Repairs and Maintenance	13,512	-	-	13,512
Supplies	50,228	43,234	-	93,462
Telephone	15,329	-	-	15,329
Travel & Training	-	2,108	-	2,108
Miscellaneous	-	-	-	-
Utilities	17,792	-	-	17,792
On Behalf Payments	-	-	-	-
Capital Outlays	9,361	644,905	-	654,266
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total Expenditures	<u>460,425</u>	<u>724,620</u>	<u>2,286</u>	<u>1,187,331</u>
Excess (Deficiency) of Revenues Over Net Change in Fund Balance	<u>(50,866)</u>	<u>(709,305)</u>	<u>67,547</u>	<u>(692,624)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	2,935	-	-	2,935
Proceeds from Borrowing	-	750,000	-	750,000
Transfers In (Out) Other Gov't	18,975	-	-	18,975
Total Other Financing Sources (Uses)	<u>21,910</u>	<u>750,000</u>	<u>-</u>	<u>771,910</u>
Net Change in Fund Balances	<u>(28,956)</u>	<u>40,695</u>	<u>67,547</u>	<u>79,286</u>
Fund Balances, Beginning	<u>345,208</u>	<u>-</u>	<u>2</u>	<u>345,210</u>
Fund Balances, Ending	<u>\$ 316,252</u>	<u>\$ 40,695</u>	<u>\$ 67,549</u>	<u>\$ 424,496</u>

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

St. Helena Fire Protection District Number 4
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, 2022

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

Net Change in Fund Balances, Total Governmental Funds (Statement E) \$ 79,286

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for Capital Assets	654,266	
Less:		
Current Year Depreciation	(52,898)	601,368

The net effect of transactions involving the disposal of capital assets is to decrease net assets:

Proceeds from Sale of Assets	2,935	
Cost of Assets Sold	22,362	
Accumulated Depreciation	(19,779)	
Basis in Assets Sold	2,583	
Gain on Sale of Assets		352

Bond proceeds and capital leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position .

Proceeds from General Obligation Bond	(750,000)
---------------------------------------	-----------

Repayment of bonds and capital leases payable is an expenditure in governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Payments on Long-Term Debt	-
--------------------------------------	---

Accrued interest on bonds payable and capital lease payable are not accrued in the governmental funds but are accrued in the governmental activities.

Increase in Accrued Interest Payable	(17,453)
--------------------------------------	----------

When recognizing the sale of capital assets, the governmental funds report the total proceeds of the sale. Only the gain or loss on the sale is reported on the Statement of Net Position.	(2,935)
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Change in Net Position of Governmental Activities (Statement B)	\$ (89,382)
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The accompanying notes are an integral part of these financial statements.

Basic Financial Statements
Notes to the Financial Statements

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

Introduction

St. Helena Fire Protection District Number 4, Greensburg, Louisiana was created by ordinance of the St. Helena Parish Police Jury for the purpose of acquiring, maintaining, and operating building, machinery, water tanks, water hydrants, water lines, and any other things necessary to provide proper fire prevention and control of the property within the District. The District operates under the direction of a five-member board appointed by the St. Helena Parish Police Jury.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The 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. Helena Parish Police Jury.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

Government-Wide Financial statements (GWFS) – As required by the Governmental Accounting Standards board (GASB), the District implemented GASB Statement No 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*”, during the year ended December 31, 2012. GASB Statement No 63 includes guidance for deferred outflows and deferred inflows of resources, which are distinct from and in addition to the assets and liabilities reported on the GWFS and reports the residual effect as net position, rather than as net assets as previously reported on the GWFS. While the District implemented GASB 63, the District did not have any deferred outflows or deferred inflows of resources at December 31, 2022.

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* is used to account for financial resources set aside to pay interest and principal on long term debt.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

C. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the District are reported at fair market value. The Louisiana Asset Management Pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The District did not hold any investments at December 31, 2022.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

outstanding between the governmental activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized	Levied	Expiration
	<u>Millage</u>	<u>Millage</u>	<u>Date</u>
General	6.81	6.81	2030
General	22.71	22.71	2023
Sinking	5.75	5.75	2041
Total	<u>36.77</u>	<u>36.77</u>	

At December 31, 2022, there were no taxpayers whose percentage of total assessed valuation was five percent or more of the total assessed valuation.

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. 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.

F. Restricted Assets

For the Debt Service Fund, restricted assets consist of cash resources set aside for repayment of revenue bonds and interest in accordance with applicable bond covenants.

G. Capital Assets

Capital assets are capitalized 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 level of \$300 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

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

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

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	20 - 40 Years
Equipment	5 - 15 Years
Furniture	5 Years
Vehicles	15 Years

H. Compensated Absences

Vacation Leave: Vacation leave is earned by all permanent full-time employees according to the length of service:

- 1 to 3 years = 42 hours of vacation
- 4 to 10 years = 84 hours of vacation
- 10 or more years = 126 hours of vacation

Vacation leave not taken in year earned cannot be carried forward. Accordingly, the District has no accumulated compensated absences requiring recognition in accordance with GASB-16, *Accounting for Compensated Absences*.

Sick Leave: Sick leave is earned by all full-time employees at a rate of twelve hours for each month of employment. Sick leave may be carried forward (accumulated) to a maximum of five hundred and seventy-six hours. Upon resignation, termination or retirement, unused sick leave is forfeited. In accordance with GASB-16, no liability has been accrued for unused employee sick leave.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, but since current debt issued have no associated bond issuance cost, the implementation of this standard did not require revision in current accounting policies for existing debt. If applicable, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Net Position/Fund Equity

In the government wide financial statements, equity is classified as net position and displayed in three components as applicable. The components are as follows:

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

by renaming that measure a net position, rather than net assets. GASB statement No. 63 for the government-wide financial statements requires the following components of net position:

Net Investment in Capital Assets – Capital assets including restricted capital assets, when applicable, net of accumulated depreciation reduced by the outstanding balance of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt or deferred inflows of resources attributable to the unspent proceeds should not be included in the calculation of net investment in capital assets. Rather, that portion of the debt or deferred inflows of resources should be included in the same net position calculation as unspent proceeds.

Restricted Net Position – Net position with constraints placed on their 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.

Unrestricted Net Position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the Fund Financial Statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the Assessor implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- a. **Nonspendable.** These 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.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation, or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the highest level of decision making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- d. **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- e. **Unassigned.** These are all other spendable amounts that are available for any purpose. Positive amounts are reported only in the general fund.

K. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence.

M. 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

N. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

O. Pension Plans

The St. Helena Fire Protection District Number 4 is not a member of any retirement system. The District is a member of the Social Security System.

P. Leases

Leases are recorded in accordance with GASB No.87, *Leases*. At the commencement of a lease, the District initially measures the lease liability the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct cost. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of its useful life or the lease term. Key estimates related to leases include the discount rate used to discount the expected lease payments to present value, lease term and lease payments.

2. Stewardship, Compliance and Accountability

The District's budget procedures are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The chairman must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more a notice of public hearing on the proposed budget must be published in

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

the official journal in each parish in which the District has jurisdiction. The proposed expenditures were less than \$500,000; therefore, a public hearing was not required.

3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 27, 2021.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increase in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was amended on December 19, 2022.
5. The budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principals generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

3. Cash and Cash Equivalents

At December 31, 2022, the District has cash and cash equivalents (book balances) as follows:

Cash on Hand	\$ 200
Demand Deposits	49,561
Total	<u>\$ 49,761</u>

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 fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2022, the district has \$70,499 in interest-bearing deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

4. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. The major receivable balance for the governmental activities includes ad valorem taxes.

In the fund financial statements, the material receivable in governmental funds also includes a revenue accrual for ad valorem taxes. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. However, a total for uncollectible property taxes was recorded based on past experience and the total ad valorem receivable at fiscal year-end was recorded net of the uncollectible amount. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during the year and are billed to taxpayers and become due in November. Billed taxes

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

become delinquent on December 31st of each year. Revenues from ad valorem taxes are budgeted in the year billed and are recognized as revenue when billed. The St. Helena Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the St. Helena Parish Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2022, the District levied 35.27 mills for the general fund and sinking fund for a total tax levy of \$539,921 on total assessed property valued at \$15,308,090. The tax levy was subject to total homestead exemptions of \$102,827 reducing the Districts total ad valorem revenues for the current year to \$437,094. The Governmental Fund Receivables at December 31, 2022 are as follows:

	General Fund	Debt Service Fund	Total
Ad Valorem Receivable	\$ 358,383	\$ 69,806	\$ 428,189
Federal Grants	-		-
Lease Proceeds	-		-
Less: Allowance for Uncollectible	(7,317)	(1,425)	(8,742)
Net Accounts Receivable	\$ 351,066	\$ 68,381	\$ 419,447

5. Interfund Receivables/Payables

As of December 31, 2022, below are the Interfund Receivables or Payables:

	<u>Due To</u>	<u>Due From</u>	
General Fund		\$ -	
Sinking Fund	-		
	\$ -	\$ -	

6. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2022 for governmental activities is as follows:

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

	<u>Balance</u> <u>1/1/2022</u>	<u>Current Year</u>		<u>Balance</u> <u>12/31/2022</u>
		<u>Increases</u>	<u>Decreases</u>	
Capital Assets not Depreciated:				
Land	\$ 14,318	\$ -	\$ -	\$ 14,318
Construction in Progress	-	140,581	-	140,581
Total Capital Assets not Depreciated	<u>14,318</u>	<u>140,581</u>	<u>-</u>	<u>154,899</u>
Other Capital Assets:				
Buildings & Improvements	100,695	-	-	100,695
Equipment	331,536	110,271	(2,089)	439,718
Equipment-Finance Purchased	15,449			15,449
Vehicles	260,784	403,415	(20,273)	643,926
Vehicles-Finance Purchased	20,761			20,761
Total Other Capital Assets	<u>729,225</u>	<u>513,686</u>	<u>(22,362)</u>	<u>1,220,549</u>
Less Accumulated Depreciation:				
Buildings & Improvements	51,632	2,871	-	54,503
Equipment	296,193	15,137	(545)	310,785
Equipment-Finance Purchased	4,630	1,943	-	6,573
Vehicles	204,000	28,794	(19,233)	213,561
Vehicles-Finance Purchased	10,429	4,153		14,582
Total Accumulated Depreciation	<u>566,884</u>	<u>52,898</u>	<u>(19,778)</u>	<u>600,004</u>
Other Capital Assets, Net	<u>162,341</u>	<u>460,788</u>	<u>(2,584)</u>	<u>620,545</u>
Total	<u>\$ 176,659</u>	<u>\$ 601,369</u>	<u>\$ (2,584)</u>	<u>\$ 775,444</u>

Depreciation was charged to governmental functions as follows:

Public Safety Fire Protection	\$ 52,898
	<u>\$ 52,898</u>

St. Helena Parish Fire Protection District No.4 has implemented GASB 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 District adopted this standard in the year ended December 31, 2022. The implementation of this standard had no material effect on the District's financial statements for the year ended December 31, 2022.

7. Accounts and Other Payables

The Governmental Fund payables at December 31, 2022 are as follows:

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

<u>Governmental Funds</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Accounts Payable	\$ 39,075	\$ -	\$ 39,075
Payroll Taxes Payable	3,954	-	3,954
Pension Payable	11,736	2,286	14,022
Total	<u>\$ 54,765</u>	<u>\$ 2,286</u>	<u>\$ 57,051</u>

8. Leases and Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended December 31, 2022:

	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2022</u>
General Obligation Bonds	\$ -	\$ 750,000	\$ -	\$ 750,000
Lease Liability	21,130	-	-	21,130
Total	<u>\$ 21,130</u>	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 771,130</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	<u>Lease Liability</u>	<u>Revenue Bonds</u>	<u>Total Long-Term Obligations</u>
Current Portion	\$ 13,831	\$ 24,000	\$ 37,831
Long-Term Portion	7,479	726,000	733,479
	<u>\$ 21,310</u>	<u>\$ 750,000</u>	<u>\$ 771,310</u>

Long Term Debt as of December 31, 2022 is as follows:

	<u>Long-Term Debt</u>	<u>Due Within One</u>
	<u>End of Year</u>	<u>Year</u>
<u>Revenue Bonds:</u>		
Governmental \$750,000 General Obligation Bonds, Series 2022		
Dated 3-24-22, due in annual installments of principal and interest		
between \$24,000 and \$47,000 with interest ranging from 1.61% to 3.22%		
though 3-1-42	\$ 726,000	\$ 24,000
<u>Lease Liability:</u>		
Capital Leases \$41,037, Dated 9-11-19, due in annual installments		
of principal and interest of \$7,882, at an interest rate of 5.389%		
though 12-19-2024	7,479	13,831
	<u>\$ 733,479</u>	<u>\$ 37,831</u>

The annual requirements to amortize all debt outstanding at December 31, 2022, including interest payments of \$257,732 are as follows:

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
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<u>Year Ending</u>	<u>Lease Liability- \$41,037</u>			<u>General Obligation Bonds - \$750,000</u>			<u>Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	13,831	1,933	15,764	24,000	30,117	54,117	37,831	32,050	69,881
2024	7,479	403	7,882	32,000	20,286	52,286	39,479	20,689	60,168
2025	-	-	-	32,000	19,545	51,545	32,000	19,545	51,545
2026-2042	-	-	-	662,000	185,448	847,448	662,000	185,448	847,448
	<u>\$ 21,310</u>	<u>\$ 2,336</u>	<u>\$ 23,646</u>	<u>\$ 750,000</u>	<u>\$ 255,396</u>	<u>\$ 1,005,396</u>	<u>\$ 771,310</u>	<u>\$ 257,732</u>	<u>\$ 1,029,042</u>

9. Dedication of Proceeds and Flow of Funds – Ad Valorem Tax

Proceeds of a special mill tax, first levied in 2022, is levied on the dollar of assessed valuation on all property subject to taxation in the District was dedicated for the purpose of acquiring land, buildings, equipment, and other facilities in the District for fire protection purposes. The special mill tax expires in 2042.

The District, through its governing authority, adopted a resolution on February 22, 2022, authorizing the issuance of \$750,000 of 20-year General Obligation Bonds, Series 2022, for the purpose of purchasing and acquiring vehicles, equipment, and other facilities, in the District for fire protection purposes. In that resolution, the proceeds of the special tax were irrevocably and irrevocably pledged and dedicated in an amount sufficient for payment of the general obligation bonds authorized and interest as they become due and for other purposes. The certificate resolution requires that proceeds of the special tax now being levied and collected by the District is to be deposited with the District’s fiscal agent bank in a “Sinking Fund” (Debt Service Fund) until such time as there is on deposit in the Sinking Fund sufficient proceeds of the tax to pay all principal and interest falling due on the certificate in the ensuing year. After such time as there has been accumulated in the Sinking Fund the amount described in the preceding sentence, any surplus monies derived from the tax may be used by the District for any of the purposes for which the tax is authorized to be levied. The District shall make available from the Sinking Fund to paying agent at least three days in advance of the date on which each payment of principal and interest on the certificate falls due, funds fully sufficient to pay promptly the principal and interest falling due on such date.

After funds have been set aside out of the revenues of the tax for each tax roll year sufficient to pay the principal and interest on the certificate for the ensuing calendar year, and all required amounts have been deposited in the Sinking Fund, then any excess of annual revenues of the tax remaining for that tax roll year shall be free for expenditures by the District for the purposes for which the tax was authorized by the voters.

As of December 31, 2022, the District was in compliance with the certificate covenants since the amount of cash plus ad valorem taxes due the District exceeded the sinking fund requirement.

10. Restricted Fund Balances

At December 31, 2022, the debt service fund and capital outlay fund recorded restricted balances of \$67,549 and 40,695 respectively to indicate that a portion of the fund equity is legally segregated for specific future use.

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

11. Risk Management

The District is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The District purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The District's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

12. Contingent Liabilities

At December 31, 2022, the District was not involved in any outstanding litigation or claims.

13. Cooperative Endeavor Agreements

The St. Helena Fire District #4 has a cooperative agreement with the St. Helena Parish Police Jury to provide first responder medical emergency services throughout the parish from January 1, 2022 to December 31, 2022. The Fire District #4 received \$30,000 from the St. Helena Parish Police Jury in return for the services.

14. Subsequent Events

As a result of the spread of Covid-19, economic uncertainties have arisen which may impact the ongoing operations of the District; however, the extent and severity of the potential impact is unknown at this time.

Required Supplemental Information (Part II)

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

Schedule 1

St. Helena Parish Fire Protection District No. 4
Greensburg, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
December 31, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual -</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget Basis</u>	<u>Fav (Unfav)</u>
Revenues:				
Ad Valorem Taxes	\$ 343,214	\$ 364,731	\$ 364,375	\$ (356)
Charges for Services	30,000	30,040	30,040	-
Fire Insurance Rebate	6,400	12,274	12,274	-
Miscellaneous Revenue	-	10	1,278	1,268
Federal Grants	-	971	971	-
Interest	700	640	621	(19)
Transfers In - Other Local Gov't	-	9,614	18,975	9,361
Supplemental Pay-Fire	-	-	-	-
Total Revenue	380,314	418,280	428,534	10,254
Expenditures:				
Ordinances & Proceedings	-	-	-	-
Retirement System Contribution	11,245	11,749	11,735	14
Salaries	124,280	156,457	154,535	1,922
Payroll Taxes	9,507	11,969	11,822	147
Health/Life Insurance	26,509	21,437	21,437	-
Workers Comp Insurance	21,000	26,798	17,577	9,221
Professional Fees	22,000	25,000	17,906	7,094
Utilities	12,000	17,000	17,792	(792)
Building Maintenance	10,000	13,000	13,512	(512)
Insurance	12,000	14,467	14,202	265
Auto Insurance	10,000	14,578	13,268	1,310
Telephone	12,000	13,200	15,329	(2,129)
Travel	-	-	-	-
Miscellaneous	-	-	-	-
Supplies	38,000	47,000	50,228	(3,228)
Fuel and Vehicle Supplies	60,000	72,000	91,721	(19,721)
Training	1,500	192	-	192
Capital Outlay	-	-	9,361	(9,361)
Debt Service	7,882	7,882	-	7,882
Supplemental Pay-Fire	-	-	-	-
Total Expenditures	377,923	452,729	460,425	(7,696)
Excess (Deficiency) of Revenues				
Over Expenditures	2,391	(34,449)	(31,891)	2,558
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	4,213	2,935	(1,278)
Proceeds from Borrowing	-	-	-	-
Transfers in (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	4,213	2,935	(1,278)
Net Change in Fund Balance	2,391	(30,236)	(28,956)	1,280
Fund Balance - Beginning of the Year	338,652	345,208	345,208	-
Fund Balance - End of the Year	\$ 341,043	\$ 314,972	\$ 316,252	\$ 1,280

See independent auditor's report

Other Supplemental Information

St. Helena Fire Protection District No. 4
Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

Schedule 2

St. Helena Parish Fire Protection District No. 4
Greensburg, Louisiana

Schedule of Compensation Paid to Board Members

December 31, 2022

<u>Name and Title/ Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>
Eric Washington	171 Boy Franklin Ln Greensburg, LA 70441	-
Shelia Kinchen	918 Pumping Station Road Greensburg, LA 70441	-
Lynn Cernich	784 Pumping Station Road Greensburg, LA 70441	-
		-
		\$ -

See independent auditor's report

St. Helena Parish Fire Protection District No. 4
Greensburg, Louisiana

Schedule of Compensation, Benefits, and Other Payments to agency Head

December 31, 2022

Agency Head Name: Eric Washington, President

<u>Purpose</u>	<u>Amount</u>
Board Member Per Diem	\$ -
	<u>\$ -</u>

No assurance is provided on these financial statements

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

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

Board of Commissioners
St. Helena Fire Protection District No. 4
Greensburg, 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, each major fund, and the aggregate remaining fund information of St. Helena Fire Protection District No. 4, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise St. Helena Fire Protection District No. 4's basic financial statements and have issued our report thereon dated July 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Helena Fire Protection District No. 4's internal control over financial reporting (internal control) as a basis for designing 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. Helena Fire Protection District No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Helena Fire Protection District No. 4's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-I1 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-I2 to be significant deficiencies.

Report on Compliance and Other Matters

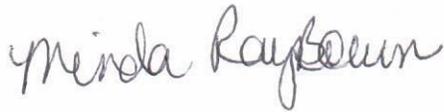
As part of obtaining reasonable assurance about whether St. Helena Fire Protection District No. 4's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-C1.

St. Helena Fire Protection District No. 4's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the St. Helena Fire Protection District No. 4's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. St. Helena Fire Protection District No. 4's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Minda B. Raybourn CPA
Franklinton, LA
July 29, 2023

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

I have audited the financial statements of the St. Helena Parish Fire District No. 4 as of and for the year ended December 31, 2022, and have issued my report thereon dated July 29, 2023. I conducted my 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. My audit of the financial statements as of December 31, 2022, resulted in an unmodified opinion.

Section I Summary of Auditor’s Reports

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

Internal Control	Significant Deficiencies	Yes
	Material weaknesses	Yes
Compliance	Material to Financial Statements	Yes

B. Federal Awards

N/A

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

Section IV Management Letter

None

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

Section II Financial Statement Findings

Finding 2022-I1 Documentation of Expenditures and Timely Payment of Disbursements

CRITERIA: A properly designed and implemented internal control system provides, among other things, reasonable assurance that the financial data is accurate and complete and the entity's assets are safeguarded. When approving and processing payment of invoices, supporting documentation should be attached an original receipt or original invoice. Documentation of each expense should include the business/public purpose Disbursements for expenditures need to be made in a timely manner.

CONDITION: A debit card charge for \$345.70 to Sam's Club did not have details of the charges printed Two meal charges for \$50.55 and \$60.84 had an itemized receipt but the individuals participating in the meal were not listed. The accounts payable accrual at December 31, 2022 included several vendors that had several invoices accrued that were over one month old. A Fuelman statement had a past due balance that was not supported by documentation.

CAUSE OF CONDITION: During 2022, the District implemented some policies and procedures over purchasing and disbursements. However, the District still lacks controls over the documentation of debt card purchases, travel expenses, and timely payment of invoices as noted in the condition.

EFFECT OF CONDITION: Failure to design and operate effective internal controls over expenditures exposes the District to several risks, including but not limited to, misappropriation of assets and inaccurate or fraudulent financial reporting.

RECOMMENDATION: The District should put in place written policies and procedures related to timely processing of the District's monthly expenditures. The District should put in place written policies and procedures over the control, use, documentation, approval, and monitoring of all debit cards. The District should implement policies and procedures travel expenditures.

MANAGEMENT RESPONSE: The District will implement the recommendation.

CONTACT: Eric Washington President, 8352 Highway 37, Greensburg, LA 70441 (225) 222-4724

Finding 2022-I2 Lack of Policies and Procedures

CRITERIA: A system of internal controls should be in place to ensure accurate financial report and safeguarding of the District's assets. Internal controls that are effective including written policies and procedures, segregation of duties, oversight, and monthly reporting of finances.

CONDITION: The District needs to update its written policies and procedures on financial matters to

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

enhance and strengthen its internal controls.

CAUSE OF CONDITION: The policies and procedures do not include certain areas of financial transactions.

EFFECT OF CONDITION: Failure to design and operate effective internal controls over exposes the District to several risks, including but not limited to, misappropriation of assets and inaccurate or fraudulent financial reporting.

RECOMMENDATION: I recommend the following areas be included for financial areas:

- Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
- Budgeting, including preparing, adopting, monitoring, and amending the budget.
- Purchasing, how vendors are added to the vendor list;
- Contracting, monitoring process.
- Payroll/Personnel, including approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Information Technology Disaster Recovery/Business Continuity, including (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

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

operations after a critical event.

- Sexual Harassment, including requirements for (1) annual employee training, and (2) annual reporting.

MANAGEMENT RESPONSE: The District will implement the recommendation.

CONTACT: Eric Washington President, 8352 Highway 37, Greensburg, LA 70441 (225) 222-4724

Finding 2022-C1 Late Submittal of Report

CRITERIA: Local auditees must engage a CPA firm approved by Louisiana Legislative Auditors to perform its audit or other engagement no later than sixty days after its fiscal year end. The statutory due date for an agency to file the audit report is six months after the fiscal year end.

CONDITION: The audit report for December 31, 2022 was filed in July 2023.

CAUSE OF CONDITION: The present auditor's child had a medical emergency regarding a neurological disorder.

EFFECT OF CONDITION: Noncompliance with state audit law.

RECOMMENDATION: The conditions noted above were out of the District's control.

MANAGEMENT RESPONSE: The District will complete all reports timely from here on.

CONTACT PERSON: Eric Washington, President, 8352 Highway 37, Greensburg, LA 70441 (225) 222-4724

ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022

Finding 2021-I1 Documentation of Expenditures

CRITERIA: A properly designed and implemented internal control system provides, among other things, reasonable assurance that the financial data is accurate and complete and the entity's assets are safeguarded. When approving and processing payment of invoices, supporting documentation should be attached an original receipt or original invoice. Documentation of each expense should include the business/public purpose.

CONDITION: A sample of 30 disbursements was selected for testing for invoice or receipt support. Two debit card purchases did not have receipt support totaling \$262.26. Two disbursements had incomplete invoice support. One check was for \$2,724.24; \$259.82 was not supported with documentation. Another check for \$2,906.21 was reviewed; this payment did not have support of \$2,678.45. Several invoices had \$403.88 in sales tax that were charged and paid. One travel reimbursement had a check stub but not a mileage log was not attached. Two disbursements were paid twice for fuel cards. Each payment amount was for \$7,777.48. A statement was attached to one of the checks but the charges reflected on the statement did not add back to the payment made.

CAUSE OF CONDITION: The District lacks written policies and procedures over processing, reviewing, approving, and maintenance of documentation over expenditures of the District. The District lacks written policies and procedures over the use, control, documentation and approval of debit cards.

EFFECT OF CONDITION: Failure to design and operate effective internal controls over expenditures exposes the District to several risks, including but not limited to, misappropriation of assets and inaccurate or fraudulent financial reporting.

RECOMMENDATION: The District should put in place written policies and procedures related to processing, reviewing, approving, and maintenance of documentation over expenditures. The District should put in place written policies and procedures over the control, use, documentation, approval, and monitoring of all debit cards. The District should provide its sales tax exemption certificate to all vendors.

MANAGEMENT RESPONSE The District will implement the recommendation.

STATUS: Not resolved.

Finding 2021-I2 Instance of Fraud

CRITERIA: A properly designed and implemented internal control system provides, among other things, reasonable assurance that the financial data is accurate and complete and the entity's assets are safeguarded. When approving and processing payment of invoices, supporting documentation should be attached an original receipt or original invoice. Documentation of each expense should include the business/public purpose.

CONDITION: The department was in search of purchasing a boat to be used during floods and other rescue responses that require a water craft. While on the search for the water craft, the fire chief found an affordable piece of equipment on eBay. The price of the boat was for \$1200.00. The seller of the boat provided payment instructions. Pay instructions were specific that the purchase be done through eBay Cards that could be purchased with cash or a debit/credit card at a local retail store. The chief purchased \$1,200 of eBay cards from Dollar General on July 24, 2021 and paid the seller. On July 25, the seller contacted the chief stating the funds were received but due to insurance to cover transportation, an additional \$1,000 would have to be paid in the same payment method. On July 25, 2021, an additional \$1,000 in eBay cards was purchased and submitted to the

ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022

seller. On July 29, 2021, another \$800 in cards were purchases after another email was sent from the seller requesting funds. A total of \$3,200 was paid using eBay cards from the general fund.

CAUSE OF CONDITION: The District lacks written policies and procedures over processing, reviewing, approving, and maintenance of documentation over expenditures of the District. The District lacks written policies and procedures over the use, control, documentation and approval of debit cards

EFFECT OF CONDITION: Failure to design and operate effective internal controls over expenditures exposes the District to several risks, including but not limited to, misappropriation of assets and inaccurate or fraudulent financial reporting.

RECOMMENDATION: The District should put in place written policies and procedures related to processing, reviewing, approving, and maintenance of documentation over expenditures. The District should put in place written policies and procedures over the control, use, documentation, approval, and monitoring of all debit cards. The District should provide its sales tax exemption certificate to all vendors.

MANAGEMENT RESPONSE: The District will implement the recommendation.

STATUS: Resolved.

2021-I3 Written Policies and Procedures

CRITERIA: A system of internal controls should be in place to ensure accurate financial report and safeguarding of the District's assets. Internal controls that are effective including written policies and procedures, segregation of duties, oversight, and monthly reporting of finances.

CONDITION: The District needs to update its written policies and procedures on financial matters to enhance and strengthen its internal controls.

CAUSE OF CONDITION: The policies and procedures do not include certain areas of financial transactions.

EFFECT OF CONDITION: Failure to design and operate effective internal controls over exposes the District to several risks, including but not limited to, misappropriation of assets and inaccurate or fraudulent financial reporting.

RECOMMENDATION: I recommend the following areas be included for financial areas: Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

- Budgeting, including preparing, adopting, monitoring, and amending the budget.
- Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
- Disbursements, including processing, reviewing, and approving.
- Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

- Payroll/Personnel, including approval process for employee(s) rate of pay or approval and maintenance of payrate schedules.
- Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.
- Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Information Technology Disaster Recovery/Business Continuity, including (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.
- Sexual Harassment, including requirements for (1) annual employee training, and (2) annual reporting.

MANAGEMENT RESPONSE: The District will implement the recommendation.

STATUS: Partially resolved.

Compliance Findings

Finding 2021-C1 Instance of Fraud

CRITERIA : A properly designed and implemented internal control system provides, among other things, reasonable assurance that the financial data is accurate and complete and the entity's assets are safeguarded. When approving and processing payment of invoices, supporting documentation should be attached an original receipt or original invoice. Documentation of each expense should include the business/public purpose.

CONDITION: The department was in search of purchasing a boat to be used during floods and other rescue responses that require a water craft. While on the search for the water craft, the fire chief found an affordable piece of equipment on eBay. The price of the boat was for \$1200.00. The seller of the boat provided payment instructions. Pay instructions were specific that the purchase be done through eBay Cards that could be purchased with cash or a debit/credit card at a local retail store. The chief purchased \$1,200 of eBay cards from Dollar General on July 24, 2021 and paid the seller. On July 25, the seller contacted the chief stating the funds were received but due to insurance to cover transportation, an additional \$1,000 would have to be paid in the same payment method. On July 25, 2021, an additional \$1,000 in eBay cards was purchased and submitted to the seller. On July 29, 2021, another \$800 in cards were purchases after another email was sent from the seller requesting funds. A total of \$3,200 was paid using eBay cards from the general fund.

CAUSE OF CONDITION: The District lacks written policies and procedures over processing, reviewing, approving, and maintenance of documentation over expenditures of the District. The District lacks written policies and procedures over the use, control, documentation and approval of debit cards.

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

EFFECT OF CONDITION: Failure to design and operate effective internal controls over expenditures exposes the District to several risks, including but not limited to, misappropriation of assets and inaccurate or fraudulent financial reporting.

RECOMMENDATION: The District should put in place written policies and procedures related to processing, reviewing, approving, and maintenance of documentation over expenditures. The District should put in place written policies and procedures over the control, use, documentation, approval, and monitoring of all debit cards. The District should provide its sales tax exemption certificate to all vendors.

MANAGEMENT RESPONSE The District will implement the recommendation.

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	The department was in search of purchasing a boat to be used during floods and other rescue responses that require a water craft. While on the search for the water craft, the fire chief found an affordable piece of equipment on eBay. The price of the boat was for \$1200.00. the seller of the boat provided payment instructions. Pay instructions were specific that the purchase be done through eBay Cards that could be purchased with cash or a debit/credit card at a local retail store. The chief purchased \$1,200 of eBay cards from Dollar General on July 24, 2021 and paid the seller. On July 25, the seller contacted the chief stating the funds were received but due to insurance to cover transportation, an additional \$1,000 would have to be paid in the same payment method. On July 25, 2021, an additional \$1,000 in eBay cards was purchased and submitted to the seller. On July 29, 2021, another \$800 in cards were purchases after another email was sent from the seller requesting funds.

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Cash from the general fund account.
3	The amount of funds or approximate value of assets involved.	\$3,200.00
4	The department or office in which the fraud or misappropriation occurred.	St. Helena Parish Fire Protection District No. 4
5	The period of time over which the fraud or misappropriation occurred.	July 24 through July 29, 2021.
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	eBay seller.
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	No formal charges have been brought.
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	The person was not employed by the agency.
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	Not applicable.
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	The agency has not notified the appropriate authorities yet.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	There is no investigation at the date of the report.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	Not complete.
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	Unknown.
14	Has restitution been made or has an insurance claim been filed?	No.

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	The agency has not notified the LLA or DA in writing as of the date of the audit report.
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	The agency's internal controls did not allow detection of the fraud in a timely manner.
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	A legitimate transaction online would have required the use of a debit or credit card. The seller required payment in the form of an eBay card and not a debit or credit card. Such purchases should raise awareness this type of purchase is rife with fraud. The District does not have policies and procedures in place to prohibit these types of purchases.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	The District will put in place a policy to prohibit these types of transactions using District funds.

STATUS: Resolved.

Finding 2021-C2 Open Meetings Law

CRITERIA : Per Louisiana Revised Statute 42:20, all public bodies shall keep written minutes of all of their open meetings. The minutes shall include but need not be limited to:

- The date, time, and place of the meeting.
- The members of the public body recorded as either present or absent.
- The substance of all matters decided, and at the request of the any member, a record, by individual member, of any votes taken.
- Any other information that the public body requests be included or reflected in the minutes.
- Minutes should be published in the District's Official Journal.

CONDITION: The District bylaws state that regular monthly business meetings of the department shall be held on the first Monday of each calendar month. The District bylaws state the Secretary-Treasurer is to keep complete records of the proceedings in a minute's book and present them for approval at the following meeting. The District had meeting minutes for March 22, 2021; May 24, 2021; June 28, 2021; and December 27, 2021. No other minutes were provided. The District attested compliance with the provisions of the Open Meetings Law, R.S 42:11 through 42:28.

CAUSE OF CONDITION: The Board was not aware of the requirements of the Open Meetings Laws.

**ST. HELENA PARISH FIRE DISTRICT NO. 4
SCHEUDLE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

EFFECT OF CONDITION: If the District had meetings that did not have evidence of written minutes, the District may have violated the Open Meetings Law.

RECOMMENDATION: The Board needs to review and utilize the resources available on the Louisiana Legislative Auditor's website regarding Best Practices as it relates to Board Oversight. This will help the District with conducting meetings, monitoring operations, and writing minutes. If the Board does not have someone with the training and knowledge to handle the responsibilities, then the Board should engage one to do so.

MANAGEMENT RESPONSE: We will implement the recommendation.

Status: Resolved.

Finding 2021-C3 Submittal of Report

CRITERIA: Local auditees must engage a CPA firm approved by Louisiana Legislative Auditors to perform its audit or other engagement no later than sixty days after its fiscal year end. The statutory due date for an agency to file the audit report is six months after the fiscal year end.

CONDITION: The audit report for December 31, 2021 was filed in January 2023.

CAUSE OF CONDITION: The previous auditor who had performed the audit for the District for many years resigned in March 2022 due to high staff turnover. The present auditor's child had a medical emergency regarding a neurological disorder.

EFFECT OF CONDITION: Noncompliance with state audit law.

RECOMMENDATION: The conditions noted above were out of the District's control.

MANAGEMENT RESPONSE: The District will complete all reports timely from here on.

STATUS: Not resolved.

Minda B. Raybourn

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners St. Helena Parish Fire District No 4
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. St. Helena Parish Fire District No 4's (the "District") management is responsible for those C/C areas identified in the SAUPs.

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 LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

1, 3, 4, and 5 are addressed. 2 is not addressed.

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The District does not have policies and procedures for receipts and collections.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Procedures 1 and 2 are in writing but procedure 3 is not.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

1, 2, 3, and 4 are addressed; 5 is not addressed.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

The District does not have policies and procedures for credit cards, debit cards, and purchase cards.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The District does not have policies and procedures for travel and expense reimbursement.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained

to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The District does not have policies and procedures in place for ethics.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The District does not have policies and procedures for debt service.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (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.

The District does not have policies and procedures for IT disaster recovery and business continuity.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure 1 is present but not procedures 2 and 3.

Management Response: *The District will have the above areas as part of the policies and procedures before the end of the current fiscal year.*

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Some of the minutes referenced approval of financial statements.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

This is not applicable.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Updates were not provided.

Management Response: Updates will be provided to the board at each meeting. Financial statements including monthly actual to budget comparisons will be referenced.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

The listing of bank accounts and management's representation were obtained. The main operating accounting and 4 additional accounts were selected.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exception to this procedure.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Management/board members who do not handle cash, post ledger, or issue checks do not review each bank reconciliation. The external accountant prepares the bank reconciliations.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception to this procedure.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A list of deposit sites and management's representation was obtained

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exception to this procedure.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exception to this procedure.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exception to this procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exception to this procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

The District does not have a bond policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection*

log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

There were no exceptions to procedures a through e.

Management Response: We will obtain bond coverage.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management's representation was obtained. The entity has one location that processes payments.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Purchase orders were utilized on some orders but there were not signatures or approvals.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions to this procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions to this procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions to this procedure.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions to this procedure.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Two disbursements did not have all invoices attached to the check stub.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

The disbursements tested did not have approvals noted on the documentation.

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

The disbursements tested did not have approvals noted on the documentation.

Management Response: All disbursements, whether manual or electronic, will have written approval on the documentation. All disbursements will have an itemized invoice attached before processing for payment.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing and management's representation were obtained.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No approvals were noted on the statements or receipts.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

None were noted.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

One debit card charge was not supported by receipts.

Management Response: All card purchases will have written approval noted on the receipt or statement. All debit card charges will be supported by an original receipt that is itemized.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel expenses and management's representation were obtained.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

The travel charges tested were for a travel that was preapproved by the district's board. Two meal charges did not have the names of individuals participating.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The expenditures were approved by the board.

Management Response: All meal charges will be documented with the names of those participating.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Management's listing and management's representations were obtained.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions to this procedure.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

This was not applicable.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

This was not applicable.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

There were no exceptions to this procedure.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing and management's representation were obtained.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions to this procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

The attendance was not approved in writing. Leave was not approved in writing.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exception to this procedure.

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

e) *No exception to this procedure.*

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exception to this procedure.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exception to this procedure.

Management Response: We will have management approve all time and attendance and leave documentation before payment.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

One employee had training. Documentation was provided for 2023.

b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The existing ethics policy was not changed.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The fire chief is the designee.

Management Response: We will have the fire chief ensure all board members and all employees have the required training.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Debt was issued. An election for the ad valorem tax to pay the debt was approved by the State Bond Commission and the election passed.

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

A construction account was used for the bond proceeds. A sinking fund is not set up yet as the project is still in progress. All others were not required.

Fraud Notice

25. 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.

No exception to this procedure.

26. Observe 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.

No exception to this procedure.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within

the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

I performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

I performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedure and discussed the results with management.

- 28) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

The employee did not have access to the accounting data.

Sexual Harassment

- 29. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

2023 certificates were presented to me. None for 2022 were submitted.

- 30. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The district policy is available upon request.

- 31. 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 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.

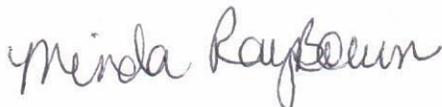
The District did file the annual sexual harassment report for 2022.

Management Response: We will have the fire chief ensure all board members and all employees have the required training.

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 SAUPs. 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 SAUPs, 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.



Minda B. Raybourn CPA
Franklinton, LA
July 28, 2023