

**FIRE PROTECTION DISTRICT NO. 11  
OF THE PARISH OF ST. MARY**

Jeanerette, Louisiana

Financial Report

Year Ended September 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners  
Fire Protection District No. 11 of the Parish of St. Mary  
Jeanerette, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the major fund of Fire Protection District No. 11 of the Parish of St. Mary (hereinafter "District"), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of September 30, 2024, and the respective changes in financial position, for the year ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require certain 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 budgetary comparison schedule or notes to budgetary comparison schedule because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 District'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 the District's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
March 28, 2025

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Statement of Net Position  
September 30, 2024

	Governmental Activities
<hr/>	
ASSETS	
Current assets	
Cash and interest-bearing deposits	\$ 25,470
Investments	685,548
Due from St. Mary Parish Government	8,000
Prepaid expenses	32,111
Other	<u>1,182</u>
Total current assets	<u>752,311</u>
Noncurrent assets	
Capital assets	
Land and construction in progress	43,479
Other, net of accumulated depreciation	<u>89,736</u>
Net capital assets	<u>133,215</u>
Total assets	<u>885,526</u>
LIABILITIES	
Current liabilities	
Accounts payable	4,821
Accrued expenses	<u>16,359</u>
Total current liabilities	<u>21,180</u>
NET POSITION	
Net investment in capital assets	131,715
Unrestricted	<u>732,631</u>
Total net position	<u>\$ 864,346</u>

*The accompanying notes to financial statements are an integral part of this statement.*



FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Statement of Activities  
Year Ended September 30, 2024

<u>Function Program</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities:	
Expenses	
Public safety	\$ <u>(474,225)</u>
General revenues	
Ad valorem taxes	525,756
Intergovernmental	41,316
Insurance proceeds	20,898
Investment income	32,089
Miscellaneous	<u>1,328</u>
Total general revenues	<u>621,387</u>
Change in net position	147,162
Net position - October 1, 2023	<u>717,184</u>
Net position - September 30, 2024	\$ <u>864,346</u>

*The accompanying notes to financial statements are an integral part of this statement*

## **FUND FINANCIAL STATEMENTS**

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Balance Sheet  
Governmental Fund  
September 30, 2024

	<u>General</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 25,470
Investments	685,548
Due from St. Mary Parish Government	8,000
Prepaid expenditures	32,111
Other	<u>1,182</u>
Total assets	<u>\$ 752,311</u>
 <b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	
Liabilities	
Accounts payable	\$ 4,821
Accrued expenditures	<u>16,359</u>
Total liabilities	<u>21,180</u>
Deferred Inflows of Resources	
Unavailable Revenue	<u>8,000</u>
Fund balance	
Nonspendable	32,111
Unassigned	<u>691,020</u>
Total fund balance	<u>723,131</u>
 Total liabilities, deferred inflows, and fund balance	 <u>\$ 752,311</u>

(continued)

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Balance Sheet (continued)  
Governmental Fund  
September 30, 2024

Reconciliation of the Governmental Fund's Balance Sheet to the Statement of Net Position

Total fund balance for governmental fund at September 30, 2024	\$ 723,131
Capital assets, net of accumulated depreciation	133,215
Unavailable revenues	<u>8,000</u>
Net position at September 30, 2024	<u>\$ 864,346</u>

*The accompanying notes to financial statements are an integral part of this statement*

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance  
Governmental Fund  
Year Ended September 30, 2024

	<u>General</u>
Revenues	
Ad valorem taxes	\$ 525,756
Intergovernmental -	
Allocation from St. Mary Parish	20,205
State of Louisiana	13,150
Investment income	32,089
Other income	<u>1,289</u>
Total revenues	<u>592,489</u>
Expenditures	
Current - Public safety	
Repairs and maintenance	74,274
Professional fees	38,316
Salaries and related expenses	159,990
Insurance	55,414
Utilities and telephone	26,455
Gas, fuel and oil	18,223
Supplies	5,596
Training	1,661
Other	36,856
Capital outlay	<u>96,624</u>
Total expenditures	<u>513,409</u>
Excess of revenues over expenditures	<u>79,080</u>
Other financing source	
Insurance proceeds	<u>20,898</u>
Net change in fund balance	99,978
Fund balance, beginning	<u>623,153</u>
Fund balance, ending	<u>\$ 723,131</u>

(continued)

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance (continued)  
Governmental Fund  
Year Ended September 30, 2024

Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance  
of Governmental Funds to the Statement of Activities

Net change in fund balance for the year ended September 30, 2024	\$ 99,978
the statement of revenues, expenditures and change in fund balance	
Cost of capital assets	96,624
Depreciation expense	(57,440)
Unavailable revenues	<u>8,000</u>
Total change in net position for the year ended September 30, 2024	<u>\$ 147,162</u>

*The accompanying notes to financial statements are an integral part of this statement*

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements

INTRODUCTION

Fire Protection District No. 11 of the Parish of St. Mary (the "District"), was created by Ordinance No. 1096 of the St. Mary Parish Council on April 25, 1990 for the purpose of providing fire protection, medical assistance, and extrication rescue. The District encompasses all territory north of the Intracoastal Waterway in Wards One and Two. The District's firefighters include volunteers of the St. Mary Parish Fire Protection District No. 11 Volunteer Fire Department.

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the audit and accounting guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the St. Mary Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and the ability of the parish council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
2. Organization for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Because the St. Mary Parish Council appoints the governing body and has the ability to significantly impose its will, the District is a component unit of the St. Mary Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Basis of Presentation**

The accompanying financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in the accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended.

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements**

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain government functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures or of the individual governmental fund is at least ten (10) percent of the corresponding total for all governmental funds.

The general fund of the District is considered to be a major fund and is described below:



FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Governmental Fund –

General Fund – This fund is the primary operating fund of the District and it accounts for the operations of the District. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws according to District policy.

C Capital Assets

Capital assets are capitalized at historical cost or estimated if historical cost is not available. Donated assets are measured at acquisition value on the date donated. The District maintains a threshold level of \$1,000 or more for capitalizing assets.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. 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. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15-25 years
Fire Trucks	15 years
Equipment	5-10 years

D. Measurement Focus Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. The operating statement presents sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District operations.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 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. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

The District uses the following practices in recording certain revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year taxes are assessed.

Other major revenues that are considered susceptible to accrual include earned grant and other intergovernmental revenues and interest on investments.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

E. Cash

Cash includes amounts in demand deposits and interest bearing demand deposits.

Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

F. Investments

Under state law, the District may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

G. Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond the current period are recorded as prepaid items.

H. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District may report deferred inflows arising from unavailable revenues. Unavailable revenue occurs under a modified accrual basis of accounting and is reported only in the governmental fund's balance sheet.

I. Equity Classifications

Government-wide financial statements

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

1. Net investment in capital assets - consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation
3. Unrestricted - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund financial statements

Fund balance for the District's governmental fund is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through formal actions approved by the Board of Commissioners.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Board of Commissioners may assign amounts for specific purposes.
5. Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners have provided otherwise in its commitment or assignment actions.

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

(2) Cash and Cash Equivalents

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2024, the District has \$25,470 in cash and cash equivalents (book balances) in interest-bearing demand deposit checking accounts.

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 bank. 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.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. The District does not have a policy to monitor or attempt to reduce exposure to custodial credit risk. At September 30, 2024, the District has \$26,694 in deposits (bank balances). These deposits are fully secured from risk by federal deposit insurance and are, therefore, not exposed to custodial credit risk.

(3) Investments

State law allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. Government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks; certain account of federally of state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporation.

As of September 30, 2024, the District has the following investments and maturities (in years):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>
LAMP	<u>\$ 685,548</u>	<u>\$ 685,548</u>

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment. The District does not have an investment policy that conforms to state law, as described above, which has no provision for custodial risk.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have an investment policy that conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The types of investments allowed by state law ensure that the District is not exposed to credit risk.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with R.S. 33:2955. Separately issued financial statements for LAMP is available at [www.lamppool.com](http://www.lamppool.com).

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of September 30, 2024.
- Foreign currency risk: Not applicable to 2a7-like pools.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Fair Value Measurements

To the extent available, the District's investments are recorded at fair value as of September 30, 2024. GASB Statement No. 72, *Fair Value Measurements and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District measures its investments using fair value guidelines established by GASB 72, which recognizes a three-tiered fair value hierarchy as follows:

- Level 1-quoted prices for identical investments in active markets
- Level 2-observable inputs other than quoted market prices
- Level 3-unobservable inputs

The District's investments in LAMP are measured using observable inputs other than quoted market prices (Level 2 inputs). The investments in LAMP are valued using quoted market prices of the underlying investment of LAMP on a weekly basis and the value of the position in the external pool is the same as the net asset value of the pool shares.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

(4) Ad Valorem Taxes

The District's ad valorem tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and an enforcement lien attaches to the property on January 1. The taxes are collected on behalf of the District by the St. Mary Parish Sheriff and then remitted to the District. Most of the taxes are received in January and February.

For the year ended September 30, 2024, taxes of 12.81 mills were levied on property with assessed valuations totaling \$41,202,219. Total taxes levied were \$527,799.

(5) Capital Assets

Capital assets and depreciation activity for the year ended September 30, 2024 follows:

	Balance 10/1/2023	Additions	Deletions	Balance 9/30/2024
Capital assets not being depreciated:				
Land	\$ 29,437	\$ -	\$ -	\$ 29,437
Construction in progress	-	14,042	-	14,042
Total assets not being depreciated	<u>29,437</u>	<u>14,042</u>	<u>-</u>	<u>43,479</u>
Other capital assets:				
Buildings	149,045	-	-	149,045
Improvements	43,965	-	-	43,965
Fire trucks	1,477,132	41,995	-	1,519,127
Equipment	485,782	40,587	(7,806)	518,563
Total capital assets being depreciated	<u>2,155,924</u>	<u>82,582</u>	<u>(7,806)</u>	<u>2,230,700</u>
Accumulated depreciation				
Buildings	(141,055)	(1,507)	-	(142,562)
Improvements	(33,615)	(1,911)	-	(35,526)
Fire trucks	(1,432,980)	(46,889)	-	(1,479,869)
Equipment	(483,680)	(7,133)	7,806	(483,007)
Total accumulated depreciation	<u>(2,091,330)</u>	<u>(57,440)</u>	<u>7,806</u>	<u>(2,140,964)</u>
Total capital assets being depreciated, net	<u>64,594</u>	<u>25,142</u>	<u>-</u>	<u>89,736</u>
Total capital assets, net	<u>\$ 94,031</u>	<u>\$ 25,142</u>	<u>\$ -</u>	<u>\$ 133,215</u>

Depreciation totaling \$57,440 was charged to public safety.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

(6) Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on the fund balance for the District's major governmental fund is presented as follows.

Fund balance	
Nonspendable for -	
Prepaid expenditures	\$ 32,111
Unassigned	<u>691,020</u>
Total fund balance	<u>\$ 723,131</u>

(7) Related Parties

The District is a related party of the St. Mary Parish Council, the primary government. During the year ended September 30, 2024, the District received allocations from the Parish totaling \$25,205.

(8) Concentrations

Ad valorem taxes comprise the majority of the District's revenues. Ad valorem taxes collected during the year ended September 30, 2024 accounted for approximately 86% of total revenues.

(9) Risk Management

The District is exposed to various risks of loss related to torts, theft, or damage to assets, errors and omissions, injuries to employees and natural disasters. The District has purchased commercial insurance to protect against loss from substantially all of these perils. There were no significant changes in coverages, retentions, or limits during the year ended September 30, 2024. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

(10) Compensation Paid to Commissioners

The District's commissioners received the following per diem for the year ended September 30, 2024:

Name	Amount
David Aymond	\$ 360
Ronald Chillis	420
Shirley Purvey	390
Linda Locket	300
Russell Viator	<u>330</u>
Total	<u>\$ 1,800</u>



FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Act 706 of the 2014 Legislative Session amended RS 24:513A requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. With the exception of per diem, no other payments which would require disclosure were made to the District's chief officer. For the year ended September 30, 2024, the District's chief officer, Ronald Chillis, received \$420 in per diem payments.

(11) On-Behalf Payments of Salaries

During the year ended September 30, 2024, the State of Louisiana paid the District's firemen \$14,400 of supplemental pay, which is included in the accompanying financial statements as intergovernmental revenues and public safety expenses expenditures.

(12) Accrued Expenses

Accrued expenses at September 30, 2024 consist of the following:

Accounts payable	\$ 4,821
Accrued payroll liabilities	<u>16,359</u>
	<u>\$ 21,180</u>

(13) Tax Abatements

The District is subject to certain property tax abatements granted by the Louisiana Board of Commerce and Industry ("LBCI"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the District may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, local governments have the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program. For the year ended September 30, 2024, the District incurred abatements of ad valorem taxes through ITEP.

ITEP is authorized by Article 7, Section 21(F) of the Louisiana Constitution. Companies qualifying as manufacturers can apply to the LBCI for a property tax exemption on all new property, as defined, used in the manufacturing process. Under ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon approval by LBCI. These state-granted abatements have resulted in reductions of property taxes, which the taxing district administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement. For the year ended September 30, 2024, \$135,781 of the District's ad valorem tax revenues were abated by the State of Louisiana through ITEP.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Financial Statements (continued)

(14) New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) as issued the following pronouncements:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This standard is effective for annual reporting periods beginning after December 15, 2023. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This standard is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

## **REQUIRED SUPPLEMENTARY INFORMATION**

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended September 30, 2024

	Budget		Actual	Variance
	Original	Amended	(Non-GAAP Basis)	Favorable (Unfavorable)
Revenues				
Ad valorem taxes	\$ 360,000	\$ 508,626	\$ 508,626	\$ -
Intergovernmental	35,034	19,534	18,955	(579)
Investment income	8,000	32,089	32,089	-
Other income	<u>5,000</u>	<u>23,567</u>	<u>1,289</u>	<u>(22,278)</u>
Total revenues	<u>408,034</u>	<u>583,816</u>	<u>560,959</u>	<u>(22,857)</u>
Expenditures				
Current - Public safety				
Repairs and maintenance	73,700	64,635	74,274	(9,639)
Professional fees	22,000	38,316	38,316	-
Salaries and related expenses	151,400	143,115	145,590	(2,475)
Insurance	50,000	60,481	55,414	5,067
Utilities and telephone	28,380	26,536	26,455	81
Gas, fuel, oil	17,500	16,830	18,223	(1,393)
Supplies	12,500	18,200	5,596	12,604
Training	750	1,661	1,661	-
Other	4,206	3,289	19,726	(16,437)
Capital outlay	<u>24,042</u>	<u>14,042</u>	<u>96,624</u>	<u>(82,582)</u>
Total expenditures	<u>384,478</u>	<u>387,105</u>	<u>481,879</u>	<u>(94,774)</u>
Excess of revenues over expenditures	<u>23,556</u>	<u>196,711</u>	<u>79,080</u>	<u>(117,631)</u>
Other financing source				
Insurance proceeds	<u>-</u>	<u>-</u>	<u>20,898</u>	<u>20,898</u>
Net change in fund balance	23,556	196,711	99,978	(96,733)
Fund balance, beginning	<u>623,153</u>	<u>623,153</u>	<u>623,153</u>	<u>-</u>
Fund balance, ending	<u>\$ 646,709</u>	<u>\$ 819,864</u>	<u>\$ 723,131</u>	<u>\$ (96,733)</u>

See independent auditor's report and notes to budgetary comparison schedule

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Budgetary Comparison Schedule

(1) Budgetary Practices

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District.

The District follows these procedures in establishing the budgetary data reflected in the financial statement:

1. The Chief prepares a proposed budget and submits it to the Board of Commissioners for approval.
2. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in the expenditures resulting from revenue exceeding amounts estimated require the approval of the Board of Commissioners.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. Level of budgetary control is exercised at the fund level.

(2) Non-GAAP Reporting Reconciliation

Budgetary amounts adopted by the District do not include on-behalf payments made by the state for supplemental pay. These on-behalf payments are reflected as revenues and expenditures in the District's financial statements as required by GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. Additionally, budgetary amounts related to ad valorem taxes and deductions from ad valorem taxes are adopted by the District on the cash basis.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Notes to Budgetary Comparison Schedule (continued)

Actual amounts are reconciled on a non-GAAP basis for comparison to the budget as follows.

	As Reported	Adjustment to Budgetary Basis	Non-GAAP Basis
Revenues			
Ad valorem taxes	\$ 525,756	\$ (17,130)	\$ 508,626
Intergovernmental	33,355	(14,400)	18,955
Investment income	32,089	-	32,089
Other income	1,289	-	1,289
Total revenues	<u>\$ 592,489</u>	<u>\$ (31,530)</u>	<u>\$ 560,959</u>
Expenditures			
Current - Public safety			
Repairs and maintenance	\$ 74,274	-	\$ 74,274
Professional fees	38,316	-	38,316
Salaries and related expenses	159,990	(14,400)	145,590
Insurance	55,414	-	55,414
Utilities and telephone	26,455	-	26,455
Gas, fuel, oil	18,223	-	18,223
Supplies	5,596	-	5,596
Training	1,661	-	1,661
Other	36,856	(17,130)	19,726
Capital outlay	96,624	-	96,624
Total expenditures	<u>\$ 513,409</u>	<u>\$ (31,530)</u>	<u>\$ 481,879</u>

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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## 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*

The Board of Commissioners  
Fire Protection District No. 11 of the Parish of St. Mary  
Jeanerette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Fire Protection District No. 11 of the Parish of St. Mary (hereinafter "District"), a component unit of the Parish of St. Mary, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 28, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses, and which are described in the accompanying schedule of audit results and findings as items 2024-001 and 2024-002.



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 audit results and findings as items 2024-003, 2024-004, 2024-005, and 2024-006.

## **District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of audit results and findings. The District'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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
March 28, 2025

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Schedule of Audit Results and Findings  
Year Ended September 30, 2024

Part I. Summary of Auditor's Results

*Financial Statements*

1. Type of auditor's opinion issued on financial statements:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental activities	Unmodified
Major fund.	
General	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	<u>✓</u>	yes	<u>      </u>	no
Significant deficiency(ies) identified?	<u>      </u>	yes	<u>✓</u>	none reported

- |  |          |     |               |    |
|--|----------|-----|---------------|----|
| 3. Noncompliance material to the financial statements? | <u>✓</u> | yes | <u>      </u> | no |
|--|----------|-----|---------------|----|

*Other*

- |                              |               |     |          |    |
|------------------------------|---------------|-----|----------|----|
| 4. Management letter issued? | <u>      </u> | yes | <u>✓</u> | no |
|------------------------------|---------------|-----|----------|----|

Part II. Findings reported in accordance with *Government Auditing Standards*

A. Internal Control

2024-001 - Segregation of Duties

Year Initially Occurring: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District's internal control over financial reporting includes those policies and procedures that pertain to the District's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

CAUSE. The cause of the condition is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Schedule of Audit Results and Findings (continued)  
Year Ended September 30, 2024

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2024-002 - Financial Reporting (application of generally accepted accounting principles)

Year Initially Occurring: Unknown

CONDITION: The District lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

CRITERIA: The District's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements and to apply GAAP in the preparation of those financial statements and related disclosures.

CAUSE: The condition results from the relatively small size of the District and the increased costs of hiring personnel to prepare GAAP-based financial statements.

EFFECT: GAAP-based financial statements, as applicable to governmental entities, are not prepared by the District.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

B. Compliance

2024-003 - Publication of Minutes

Year Initially Occurring: 2023

CONDITION: The District did not publish minutes of public meetings for at least four (4) meetings and published minutes in excess of sixty (60) days for at least one (1) meeting.

CRITERIA: RS 42:20 requires that "all public bodies shall keep written minutes of all of their open meetings." The reference is to "open meetings" since statutes provide for executive sessions or closed meetings (See RS 42:16 - 18). RS 42:20 also requires the minutes be available "within a reasonable time after the meeting".

Attorney General Opinion 09-0300 states "in requiring publication of all official proceedings of police juries, municipal corporations and school boards within then days after such proceedings are had, would be defeated if such publication was postponed until after the next ensuing meeting. The object is to apprise the public of action just taken in order that protest may be made, in proper cases,

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Schedule of Audit Results and Findings (continued)  
Year Ended September 30, 2024

before it becomes too late. Postponement of publication until final approval of the minutes one month later might serve to defeat the purposes of the act.” The opinion further states “[A]ny purported implications of publication of unofficial meeting minutes do not outweigh the public’s interest in timely notice of actions taken at the meeting ”

CAUSE: Failure to publish minutes timely.

EFFECT: The District may not be in compliance with certain open meetings statutes.

RECOMMENDATION: We recommend that the District implement policies and procedures to ensure compliance with applicable provisions of the Open Meetings Law.

2024-004 - Firefighters’ Retirement System

Year Initially Occurring: 2024

CONDITION: The District is not participating in the Firefighters’ Retirement System (System) as required by R.S. 11:2253

CRITERIA: RS 11.2253 A.(1)(a)(i) states, in part, "any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of his employment."

CAUSE: Failure to enroll employee(s) in the Firefighter Retirement System.

EFFECT: The required contributions of eligible employees are not being made. Further, eligible employees are not receiving the statutory retirement benefit.

RECOMMENDATION: We recommend that the District seek legal guidance on requirements of the cited statutes to ensure the District is compliant.

2024-005 - Louisiana Local Government Budget Act

Year Initially Occurring: 2024

CONDITION: An unfavorable variance of expenditures in excess of five percent was observed in the General Fund.

CRITERIA: RS 39:1311 Budgetary Authority and Control provides for the following:

“A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer for a political subdivision subject to public participation as provided in R.S. 39:1307 shall advise the governing authority or independently elected official in writing when:

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Schedule of Audit Results and Findings (continued)  
Year Ended September 30, 2024

- (1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

CAUSE: The District failed to amend the budget when actual expenditures were in excess of budgeted expenditures by five percent or more.

EFFECT: The District may not be in compliance with the Louisiana Local Government Budget Act.

RECOMMENDATION: We recommend that the District implement procedures to ensure that budgets are amended when required.

2024-006 – Timely Deposit of Payroll Taxes

Year Initially Occurring: 2024

CONDITION: The District did not submit payroll tax deposits for the second quarter of 2024 on or before the required filing dates.

CRITERIA: IRS Publication 15 (Circular E), Employer's Tax Guide, Section 11, Depositing Taxes states, "Under the monthly deposit schedule, deposit employment taxes on payments made during a month by the 15th day of the following month."

CAUSE: Failure to submit payroll tax deposit in a timely manner.

EFFECT: The District was found noncompliant with tax regulations and incurred unnecessary costs related to penalties and interest.

RECOMMENDATION: We recommend that the District implement policies and procedures to ensure timely remittance of payroll taxes.

FIRE PROTECTION DISTRICT NO. 11 OF THE PARISH OF ST. MARY  
Jeanerette, Louisiana

Summary Schedule of Prior Findings  
Year Ended September 30, 2024

A. Internal Control

2023-001 - Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CURRENT STATUS: See schedule of audit results and findings, item 2024-001.

2023-002 - Financial Reporting (application of generally accepted accounting principles)

CONDITION: The District lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

CURRENT STATUS: See schedule of audit results and findings, item 2024-002.

2023-003 - Bank Reconciliations

CONDITION: The District did not prepare bank reconciliations for certain of its accounts.

CURRENT STATUS: This condition has been resolved.

B. Compliance

2023-004 - Publication of Minutes

CONDITION: The District did not publish minutes for one (1) meeting and published minutes in excess of sixty (60) days for four (4) meetings.

CURRENT STATUS: See schedule of audit results and findings, item 2024-003.

## **CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS**

### **APPENDIX A**

**FIRE PROTECTION DISTRICT NO. 11 OF  
THE PARISH OF ST. MARY  
Post Office Box 311  
Jeanerette, Louisiana 70544**

March 28, 2025

Kolder, Slaven & Company CPAs  
1201 David Drive  
Morgan City, LA 70380

In connection with your audit of the financial statements of Fire Protection District No. 11 of the Parish of St. Mary as of and for the year ended September 30, 2024, we provide the following responses to reported internal control and compliance issues:

2024-001 - Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Due to the size of the operation and the cost-benefit of additional personnel, we were advised that a response to this issue is not required.

2024-002 - Financial Reporting (Application of Generally Accepted Accounting Principles)

CONDITION: The Commission lacks adequate staff and the expertise to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP), as applicable to governmental entities.

MANAGEMENT'S RESPONSE: The Board of Commissioners continues to evaluate the cost-benefit of outsourcing the preparation of the Commission's financial statements to its independent auditors rather than incur the costs to employ someone to prepare GAAP-based financial statements and have determined that it would be more cost effective to outsource the preparation of the Commission's financial statements. We will review the financial statements, notes, and any supplementary information prior to accepting responsibility for their presentation and content.

2024-003 - Publication of Minutes

CONDITION: The District did not publish minutes of public meetings for at least four (4) meetings and published minutes in excess of sixty (60) days for at least one (1) meeting

MANAGEMENT'S RESPONSE: The District will implement policies and procedures to ensure compliance with state statutes and regulations.

2024-004 - Firefighters' Retirement System

CONDITION: The District is not participating in the Firefighters' Retirement System (System) as required by R.S. 11.2253.

MANAGEMENT'S RESPONSE: The District will seek legal guidance on the requirements as recommended.



2024-005 - Louisiana Local Government Budget Act

CONDITION: An unfavorable variance of expenditures in excess of five percent was observed in the General Fund.

MANAGEMENT'S RESPONSE: The District will implement policies and procedures to monitor and amend the budget when actual revenues are less than budgeted amounts by more than five percent or when actual costs are more than budgeted amounts by more than five percent.

2024-006 - Timely Deposit of Payroll Taxes

CONDITION: The District did not submit payroll tax deposits for the second quarter of 2024 on or before the required filing dates.

MANAGEMENT'S RESPONSE: The District will implement policies and procedures to ensure that returns are filed in accordance with state statutes.

We trust the foregoing adequately addresses the reported issues.



Ronald Chillis, Sr., Board Chairman

**FIRE PROTECTION DISTRICT NO. 11  
OF THE PARISH OF ST. MARY**

Statewide Agreed-Upon Procedures

Fiscal period October 1, 2023 through September 30, 2024

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Board of Commissioners,  
Fire Protection District No. 11 of the Parish of St. Mary, and  
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2023 through September 30, 2024. The management of the Fire Protection District No. 11 of the Parish of St. Mary (hereinafter "District") is responsible for those control and compliance areas identified in the SAUPs.

An agreed-upon procedures engagement involves the performing of specific procedures that the District has agreed to and acknowledged to be appropriate on those control and compliance areas identified in the LLA's SAUPs for the fiscal period October 1, 2023 through September 30, 2024 and report on exceptions based upon the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. However, 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 exceptions, if any, are as follows:

### ***1) Written Policies and Procedures***

- A. 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:
  - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***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.
  - iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. ***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).
- v. ***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 rates of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. ***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.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***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.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

## ***2) Board or Finance Committee***

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- A. 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
  - i. 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.
  - ii. 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.
  - iii. 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.

- iv. 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.

### **3) Bank Reconciliations**

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- A. 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:
  - i. 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);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
  - iii. 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.

### **4) Collections (excluding electronic funds transfers)**

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- A. 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).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also 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; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

***5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

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- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. 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;
  - iv. 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; and
  - v. 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.
- C. For each location selected under procedure #5A 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
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. 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.

#### ***6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards***

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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
  - i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

#### ***7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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**Obtained management's representation that there were no travel or travel-related expense reimbursements during the fiscal period. Therefore, the procedures below are not applicable.**

- A. 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 and 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
  - i. If reimbursed using a per diem, observe that 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](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that 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 Policies and Procedures procedure #1A(vii); and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

## **8) Contracts**

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**Obtained management's representation that there were no agreements/contracts for professional services, material and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Therefore, the procedures below are not applicable.**

- A. 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. 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
- i. 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;
  - ii. Observe whether the contract was approved by the governing body board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that 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, the documented approval); and
  - iv. 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 that the invoice and related payment agreed to the terms and conditions of the contract.

## **9) Payroll and Personnel**

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- A. 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary pay rate found within the personnel file.
- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.



- D. 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.

#### **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

#### **11) Debt Service**

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**Obtained management's representation that there were no bonds/notes or other debt instruments issued during the fiscal period nor were there any notes/bonds outstanding at the end of the fiscal period. Therefore, the procedures below are not applicable.**

- A. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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).

#### **12) Fraud Notice**

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- A. 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 as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523 I concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

#### **13) Information Technology Disaster Recovery/Business Continuity**

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*We performed the procedures below and discussed the results with management*

- A. Perform the following procedures.

- i. 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.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test verification was successfully performed within the past 3 months.
  - iii. 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.
- B. 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.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are a) hired before June 9, 2020 – completed training; and b) hired on or after June 9, 2020 – completed training within 30 days of initial service or employment.

#### ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that 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).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements,
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

#### **Exceptions**

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Exceptions found as a result of applying the procedures listed above are as follows:

### **Written Policies and Procedures**

1. The District does not have written policies and procedures that address budgeting, purchasing, disbursements, receipts/collections, contracting, credit cards, ethics, debt service, or information technology/business discovery.
2. Written policies and procedures for travel and expense reimbursement do not address (2) dollar thresholds by category of expense.
3. Written policies and procedures for prevention of sexual harassment do not address (3) annual reporting.

### **Board or Finance Committee**

4. Minutes did not reference or include monthly budget-to-actual comparisons on the general fund.
5. Minutes did not reference updates of the progress of resolving audit findings.

### **Bank Reconciliations**

6. The three (3) accounts reconciled did not evidence that a member of management who does not handle cash, post ledgers, or issues checks has reviewed the reconciliation.
7. One (1) reconciliation did not evidence date of preparation.
8. The one (1) reconciliation that included long outstanding reconciling items did not evidence researching outstanding item(s) greater than 12 months.

### **Cash Collections**

9. The collection support for the two (2) deposits did not identify the date of receipt. Therefore, timeliness of deposit could not be determined.

### **Non-payroll Disbursements**

10. Only one employee may be involved in initiating a purchase request, approving a purchase, and placing an order making the purchase.

### **Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

11. The monthly statements selected did not evidence that the statements were reviewed and approved, in writing, by someone other than the authorized cardholder.
12. Six (6) of the seven (7) transactions did not have written documentation of the business/public purpose.
13. The three (3) meal charges did not include documentation of the individuals participating in meals.

### **Payroll**

14. Payroll taxes for one quarter of the fiscal period were not paid, and associated forms not filed by required deadlines.

### **Ethics**

15. Documentation evidencing completion of ethics training as required by R.S. 42:1170 could not be obtained for two (2) of the five (5) employees officials selected.

### **Fraud Notice**

16. The District does not have a 'fight fraud' notice posted on their website.

### **Prevention of Sexual Harassment**

17. The District does not have its sexual harassment policy and complaint procedure posted on its website.
18. The District did not prepare the annual sexual harassment report as required by R.S. 42:344.
19. Documentation evidencing completion of the sexual harassment training as required by R.S. 42:343 could not be obtained for one (1) of the five (5) employees officials selected.

### **Management's Response**

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The District concurs with the exceptions and is working to address the deficiencies identified.

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 provisions of *Government Auditing Standards*, issued by the United States Comptroller General. 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 control and compliance 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the District's management and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants