

**ANNUAL FINANCIAL REPORT**  
**ST. TAMMANY PARISH**  
**FIRE PROTECTION DISTRICT NO. 13**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2024**



**ERICKSEN KRENTEL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

## TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
<b><u>INDEPENDENT AUDITORS' REPORT</u></b> .....		1 – 4
<b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>		
Management's Discussion and Analysis.....		5 – 8
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>		
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>		
Statement of Net Position .....	A	9
Statement of Activities.....	B	10
<b>FUND FINANCIAL STATEMENTS (FFS)</b>		
Governmental Funds:		
Balance Sheet .....	C	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	D	12
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	E	13 – 14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	15
<b>NOTES TO FINANCIAL STATEMENTS</b> .....		16 – 32
<b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>		
	<b><u>SCHEDULE</u></b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund .....	1	33
Schedule of Proportionate Share of the Net Pension Liability .....	2	34
Schedule of Contributions – Retirement Plan .....	3	35
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b> .....		36
<b><u>OTHER SUPPLEMENTARY INFORMATION:</u></b>		
	<b><u>SCHEDULE</u></b>	
Schedule of Compensation Paid to Board Members .....	4	37
Schedule of Compensation, Benefits and Other Payments to Agency Head .....	5	38

## **TABLE OF CONTENTS (CONTINUED)**

### **OTHER REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*:**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	39 – 40
Schedule of Findings and Responses .....	41
Summary Schedule of Prior Year Findings.....	42



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 13  
Covington, Louisiana

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Tammany Parish Fire Protection District No. 13 (District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

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

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



To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 13  
May 23, 2025  
Page 2

***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.



To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 13  
May 23, 2025  
Page 3

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of proportionate share of the net pension liability and schedule of contributions – retirement plan on pages 5 through 8 and 33 through 36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the District's basic financial statements. The accompanying schedules of compensation paid to board members and compensation, benefits and other payments to agency head are presented to comply with the requirements issued by the State of Louisiana and are not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2025 on our consideration of the St. Tammany Parish Fire Protection District No. 13'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.



To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 13  
May 23, 2025  
Page 4

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Tammany Parish Fire Protection District No. 13's internal control over financial reporting and compliance.

May 23, 2025  
Mandeville, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants

**REQUIRED SUPPLEMENTAL INFORMATION (PART I)**



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**COVINGTON, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

This section of St. Tammany Parish Fire Protection District No. 13's (The District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended December 31, 2024. This analysis should be read in conjunction with the audited financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District's net position increased by \$779,239.
- The District's general revenues were \$4,970,050 and there were no program revenues.
- The total expenses of the District were \$4,190,811.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**BASIC FINANCIAL STATEMENTS**

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

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

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

The following presents condensed financial information of the District.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**COVINGTON, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

**SUMMARY OF NET POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current and other assets	\$ 8,263,728	\$ 7,677,812
Capital assets	<u>3,144,250</u>	<u>3,081,126</u>
 Total assets	 <u>\$ 11,407,978</u>	 <u>\$ 10,758,938</u>
 Deferred outflows related to pensions	 <u>\$ 865,307</u>	 <u>\$ 1,330,700</u>
Current liabilities	\$ 503,440	\$ 470,964
Long-term liabilities	<u>3,179,870</u>	<u>3,795,477</u>
 Total liabilities	 <u>\$ 3,683,310</u>	 <u>\$ 4,266,441</u>
 Deferred inflows related to pensions	 <u>\$ 69,890</u>	 <u>\$ 82,351</u>
Net investment in capital assets	\$ 1,964,159	\$ 1,842,986
Unrestricted	5,581,869	4,960,378
Restricted - capital projects	<u>974,057</u>	<u>937,482</u>
 Total net position	 <u>\$ 8,520,085</u>	 <u>\$ 7,740,846</u>

Total assets increased by \$649,040 (6%) primarily due to an increase in ad valorem taxes receivable. Total liabilities decreased by \$583,131 (14%) due primarily to principal payments on long-term debt.

Net position increased by \$779,239 (10%) primarily due to an increase in ad valorem taxes and principal payments on long-term debt.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**COVINGTON, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
General revenues	\$ 4,970,050	\$ 4,391,102
Program revenues	<u>-</u>	<u>192,199</u>
Total revenues	4,970,050	4,583,301
Expenses	<u>(4,190,811)</u>	<u>(4,169,432)</u>
Change in net position	779,239	413,869
Beginning net position	<u>7,740,846</u>	<u>7,326,977</u>
Ending net position	<u><u>\$ 8,520,085</u></u>	<u><u>\$ 7,740,846</u></u>

Total revenues increased by \$386,749 due primarily to an increase in ad valorem taxes. Expenditures/expenses increased by \$21,379 primarily due to increases in salaries and benefits and insurance.

**CAPITAL ASSETS**

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Land	\$ 434,741	\$ 434,741
Construction in progress	177,320	53,877
Buildings	2,080,712	2,080,712
Machinery and equipment	<u>3,499,565</u>	<u>3,350,761</u>
	6,192,338	5,920,091
Less: accumulated depreciation	<u>(3,048,088)</u>	<u>(2,838,965)</u>
Total capital assets, net of accumulated depreciation	<u><u>\$ 3,144,250</u></u>	<u><u>\$ 3,081,126</u></u>

During the current year ended December 31, 2024, the District had capital additions including construction in progress totaling \$272,247. Depreciation expense was \$209,123 for the year ended December 31, 2024.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**COVINGTON, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024**

**LONG-TERM DEBT**

At December 31, 2024, the District had \$675,000 in long-term debt which consisted of certificates of indebtedness maturing in December, 2029. Additionally, the District had lease liabilities in the amount of \$747,449 for fire equipment.

**BUDGETARY HIGHLIGHTS**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Ad valorem taxes	\$ 3,672,000	\$ 4,094,338	\$ 422,338
State revenue sharing	30,000	74,939	44,939
Fire insurance rebate	20,000	53,205	33,205
Federal and state grants	1,000	-	(1,000)
Tax abatement revenue	35,000	20,942	(14,058)
Workers compensation dividend	50,000	88,257	38,257
Investment earnings	175,000	213,658	38,658
Miscellaneous	<u>10,500</u>	<u>35,122</u>	<u>24,622</u>
Total	<u>\$ 3,993,500</u>	<u>\$ 4,580,461</u>	<u>\$ 586,961</u>
Expenditures:			
Fire protection	\$ 3,321,414	\$ 3,491,682	(170,268)
Debt service	313,800	315,907	(2,107)
Capital outlay	<u>2,235,000</u>	<u>291,570</u>	<u>1,943,430</u>
Total	<u>\$ 5,870,214</u>	<u>\$ 4,099,159</u>	<u>\$ 1,771,055</u>

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

In 2025, the operating budget is \$4,497,285, an increase of 9% over 2024 due primarily to increased payroll costs as well as the effects of inflation impacting fuel, supplies, parts and goods and insurance. Capital budget funds are primarily earmarked for the construction of Station 134.

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and customers with an overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Fire Chief Lonnie Johnson, St Tammany Parish Fire Protection District No. 13, 13053 Highway 190, Covington, Louisiana 70433.

## **BASIC FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

**ASSETS:**

Cash and cash equivalents	\$ 2,762,833
Restricted cash for capital projects	974,057
Receivables:	
Ad valorem taxes, net of allowance for uncollectible taxes of \$80,108	4,233,047
State revenue sharing	30,213
Prepaid expenses	21,220
Right of use assets, net of accumulated amortization	242,358
Capital assets, net of accumulated depreciation	<u>3,144,250</u>
 Total assets	 <u>11,407,978</u>

**DEFERRED OUTFLOWS OF RESOURCES:**

Pensions	<u>865,307</u>
 Total deferred outflows of resources	 <u>865,307</u>

**LIABILITIES:**

Accounts payable	3,599
Accrued expenses	236,261
Net pension liability	2,021,001
Lease liability - current	138,580
Lease liability - noncurrent	608,869
Debt:	
Current portion of long-term debt	125,000
Long-term debt	<u>550,000</u>
 Total liabilities	 <u>3,683,310</u>

**DEFERRED INFLOWS OF RESOURCES:**

Pensions	<u>69,890</u>
 Total deferred inflows of resources	 <u>69,890</u>

**NET POSITION:**

Net investment in capital assets	1,964,159
Unrestricted	5,581,869
Restricted - capital projects	<u>974,057</u>
 Total net position	 <u>\$ 8,520,085</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	
<u>Governmental activities:</u>				
Public Safety - Fire protection	\$ 4,190,811	\$ -	\$ -	\$ (4,190,811)
Total governmental activities	<u>\$ 4,190,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,190,811)</u>
General revenues:				
Property taxes				4,372,007
2% fire tax				53,205
State revenue sharing				74,939
Workers compensation dividend				88,257
Investment earnings				213,658
Tax abatement revenue				20,942
Other income				<u>147,042</u>
Total general revenues				<u>4,970,050</u>
Change in net position				779,239
Net position - beginning				<u>7,740,846</u>
Net position - ending				<u>\$ 8,520,085</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

**ASSETS:**

Cash and cash equivalents	\$ 3,736,890
Receivables:	
Ad valorem taxes, net of allowance for uncollectible taxes of \$80,108	4,233,047
State revenue sharing	30,213
Prepaid expenses	<u>21,220</u>
 Total assets	 <u><u>\$ 8,021,370</u></u>

**LIABILITIES:**

Accounts payable	\$ 3,599
Accrued expenses	<u>236,261</u>
 Total liabilities	 <u>239,860</u>

**DEFERRED INFLOWS OF RESOURCES:**

Unavailable revenue - property taxes	<u>538,803</u>
 Total deferred inflows of resources	 <u>538,803</u>

**FUND BALANCE:**

Unrestricted	<u>7,242,707</u>
 Total fund balance	 <u>7,242,707</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u><u>\$ 8,021,370</u></u>

**The accompanying notes are an integral part of this statement**



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

Fund balance - total governmental funds	\$ 7,242,707
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Right of use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	242,358
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	3,144,250
Deferred outflows of resources related to pensions are not reported in governmental funds	865,307
Deferred inflows of resources related to pensions are not reported in governmental funds	(69,890)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. All liabilities (both current and long-term) are reported in the Statement of Net Position:	
Pension liability	(2,021,001)
Lease liability	(747,449)
Bonds payable	(675,000)
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.	<u>538,803</u>
Net position of governmental activities	<u><u>\$ 8,520,085</u></u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>General Fund</u>
<b><u>GENERAL REVENUES:</u></b>	
Ad valorem taxes	\$ 4,094,338
Intergovernmental revenues:	
State revenue sharing	74,939
2% Fire tax	53,205
Tax abatement revenue	20,942
Workers compensation dividend	88,257
Investment earnings	213,658
Miscellaneous	<u>35,122</u>
 Total general revenues	 <u>4,580,461</u>
<b><u>EXPENDITURES:</u></b>	
Public Safety - Fire Protection:	
Salaries and benefits	2,497,623
Insurance	258,999
Dispatching	39,143
Repairs and maintenance	249,768
Utilities	47,019
Professional fees	57,272
Training and education	82,613
Fuel and oil	50,884
Office expense	26,658
Supplies	37,490
Uniforms	49,792
Other	12,001
Information technology	<u>82,420</u>
 Total current fire protection expenditures	 <u>3,491,682</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**EXPENDITURES:**

Capital outlays	291,570
Debt service - principal	258,520
Debt service - interest	<u>57,387</u>
Total expenditures	<u>4,099,159</u>

Excess of revenues over expenditures	481,302
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**FUND BALANCE:**

Beginning of year	<u>6,761,405</u>
End of year	<u><u>\$ 7,242,707</u></u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Net change in fund balance - governmental fund	\$	481,302
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization expense of \$409,594 was more than capital asset additions of \$272,247 in the current period,		(137,347)
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Repayments of note principal are reported as financing used in governmental funds and thus contribute to the reduction in fund balance. In the Statement of Net Position, however, repayment of debt decreases the long-term liabilities and does not affect the Statement of Activities.		258,520
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Under the modified accrual basis of accounting used in the governmental funds, advances of derived tax revenues is not recognized until received, rather than as it is earned. This is the amount by which prior year advances of derived tax revenues recognized of \$261,134 were less than current advances of derived tax revenues recognized of \$538,803.		277,669
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Pensions		(212,825)
Non-employer contributions for pensions		111,920

Change in net position	\$	779,239
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**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

The mission of St. Tammany Parish Fire Protection District No. 13 (the District) is to provide fire protection in that area of St. Tammany Parish (the Parish) which includes Covington, Louisiana. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to government entities. The following is a summary of significant accounting policies.

**Reporting Entity**

The District was created in 1988 by Ordinance Police Jury Series No. 88-949. The District is governed by a Board of Commissioners, which is appointed by St. Tammany Parish. The Board consists of five Commissioners who serve two-year terms.

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

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

**Basis of Presentation**

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

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

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2024

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

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

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

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

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

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

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

**Governmental Fund:**

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

**General Fund**

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

**Basis of Accounting**

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2024**

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

**Accrual**

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

**Modified Accrual**

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

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

**Revenues**

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

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

All other revenues are recorded when received.

**Expenditures**

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

**Cash and Cash Equivalents**

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Receivables and Payables**

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

Property taxes are levied on a calendar year basis, become due on December 31 and are considered delinquent on January 1. The District authorized and levied a 28.71 mill ad valorem tax for operations and maintenance for the year ended December 31, 2024. The following are the principal taxpayers and related property tax revenue for the entity:

	<u>Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Diversified Foods & Seasonings	\$ 6,052,136	3.66%
Cypress Bend Real Estate Develop	3,325,581	2.01%
Elan at Terra Bella LLC	3,054,366	1.85%
PPQ Northshore LLC	2,849,000	1.73%
Utilities Inc of Louisiana	2,699,644	1.63%
St. Tammany Parish Development District	2,646,149	1.60%
Champagne Beverage Co Inc	2,485,110	1.50%
Resource Bank	2,306,549	1.40%
Forest Manor LLC	2,043,720	1.24%
Provider Options Realty LLC	<u>2,017,505</u>	<u>1.22%</u>
	<u>\$ 29,479,760</u>	<u>17.84%</u>

**Prepaid Items**

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

**Capital Assets**

Capital assets, which include property and equipment, are reported in the government-wide statements. Capital assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold of \$1,000 or more for capitalizing capital assets.

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



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Capital Assets (Continued)**

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

Buildings and improvements	30 Years
Vehicles	5 - 15 Years
Equipment	10 - 15 Years
Computers	5 Years
Infrastructure	25 Years

**Right of Use Assets**

The District has recorded right of use lease assets as a result of implementing GASB 87. The right of use assets are initially measured at an amount equal to the initial measurement date of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus any ancillary charges necessary to place the lease in service. The right of use assets are amortized on a straight-line basis over the life of the related lease asset.

**Long-Term Debt**

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

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

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

**Deferred Outflows and Inflows of Resources**

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

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Retirement System of Louisiana (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Equity Classifications**

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

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

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

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

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

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

**Equity Classifications (Continued)**

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

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

**Use of Estimates**

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

**Adoption of New Accounting Pronouncement**

For the year ended December 31, 2024, the District has adopted GASB Statement No. 101, [Compensated Absences](#) (Statement 101), which replaces GASB Statement No. 16. It requires liabilities for compensated absences to be recognized for leave that has not been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, has accumulated, and is more likely than not to be used for time off or paid in cash or settled through noncash means. The Statement also addresses the timing of the recognition of a liability for other types of compensated absences. The adoption of this standard did not have a material impact on the District's statements.

**Date of Management's Review**

Subsequent events have been evaluated through May 23, 2025, which is the date the financial statements were available to be issued.

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

A public hearing was held on November 15, 2023 and the board adopted the budget. The budget is prepared using GAAP basis of accounting. All appropriations lapse at year end. Formal budget integration within the accounting records is employed as a management control device during the year. The board also reviews budget versus actual reports on a monthly basis. Changes or amendments are made upon approval of the board.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2024

**(3) AD VALOREM TAXES**

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u>	<u>Levied</u>
Maintaining, acquiring, constructing, improving, and operating fire protection and rescue services. Expires 2028.	20.03	20.03
Maintaining, acquiring, constructing, improving, and operating fire protection and rescue services Expires 2024.	8.68	8.68

**(4) CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents at December 31, 2024:

Demand deposits	<u>\$ 3,736,890</u>
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These deposits are stated at cost, which approximates market. The District does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

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

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

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

At December 31, 2024, the carrying amount and the bank balances of deposits of the primary government are summarized as follows:

	<u>Bank Balances Category</u>			<u>Bank Balance</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Cash	<u>\$ 250,000</u>	<u>\$ 3,486,389</u>	<u>\$ -</u>	<u>\$ 3,736,389</u>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

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

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

**(6) RIGHT OF USE ASSETS**

The District has recorded right of use assets for equipment. The related lease is discussed in Note 9. The right of use assets are amortized on a straight line basis over the estimated useful lives of the equipment. Amortization expense totaled \$200,471 for the year ended December 31, 2024. Right of use asset activity as of and for the year ended December 31, 2024 is as follows:

	<u>1/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2024</u>
<u>Right of Use Assets:</u>				
Equipment	\$1,926,673	\$ -	\$ -	\$1,926,673
Less: accumulated amortization	<u>(1,483,844)</u>	<u>(200,471)</u>	<u>-</u>	<u>(1,684,315)</u>
Total right of use assets, net	<u>\$ 442,829</u>	<u>\$ (200,471)</u>	<u>\$ -</u>	<u>\$ 242,358</u>

**(7) CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2024 is as follows:

	<u>1/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2024</u>
<u>Governmental Activities:</u>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 434,741	\$ -	\$ -	\$ 434,741
Construction in progress	<u>53,877</u>	<u>123,443</u>	<u>-</u>	<u>177,320</u>
Total capital assets not being depreciated	<u>488,618</u>	<u>123,443</u>	<u>-</u>	<u>612,061</u>
<u>Governmental Activities:</u>				
<b>Capital assets being depreciated:</b>				
Buildings	2,080,712	-	-	2,080,712
Machinery and equipment	<u>3,350,761</u>	<u>148,804</u>	<u>-</u>	<u>3,499,565</u>
Total capital assets being depreciated	<u>5,431,473</u>	<u>148,804</u>	<u>-</u>	<u>5,580,277</u>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(7) CAPITAL ASSETS (CONTINUED)**

**Less accumulated  
depreciation for:**

Buildings	(589,013)	(42,294)	-	(631,307)
Machinery and equipment	<u>(2,249,952)</u>	<u>(166,829)</u>	<u>-</u>	<u>(2,416,781)</u>
Total accumulated depreciation	<u>(2,838,965)</u>	<u>(209,123)</u>	<u>-</u>	<u>(3,048,088)</u>
Total capital assets being depreciated, net	<u>2,592,508</u>	<u>(60,319)</u>	<u>-</u>	<u>2,532,189</u>
Governmental activities capital assets, net	<u>\$3,081,126</u>	<u>\$ 63,124</u>	<u>\$ -</u>	<u>\$3,144,250</u>

Depreciation expense of \$209,123 for the year ended December 31, 2024, was charged to fire protection.

**(8) LONG-TERM DEBT**

	<u>Balance at 12/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/2024</u>	<u>Due Within One Year</u>
Limited tax certificates of indebtedness Series 2018, interest rate at 3.3%, maturing on December 12, 2029.	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 675,000</u>	<u>\$ 125,000</u>
Total debt	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 675,000</u>	<u>\$ 125,000</u>

Following is a summary of future principal and interest requirements:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 125,000	\$ 19,931	\$ 144,931
2026	130,000	15,782	145,782
2027	135,000	11,470	146,470
2028	140,000	6,996	146,996
2029	<u>145,000</u>	<u>2,359</u>	<u>147,359</u>
	<u>\$ 675,000</u>	<u>\$ 56,538</u>	<u>\$ 731,538</u>

Interest costs incurred and charged to expense for the year ended December 31, 2024 was \$23,998.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(9) LEASES**

The District has entered into a lease for fire equipment. The lease agreement qualifies as an other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception of the lease. The assets are being amortized over their estimated useful lives. Amortization of the assets under the leases is included in depreciation expense for the year ended December 31, 2024.

Future minimum lease payments under the leases as of December 31, 2024 are as follows:

Year Ending	Principal	Interest	Total
2025	\$ 138,580	\$ 28,328	\$ 166,908
2026	143,832	23,076	166,908
2027	149,283	17,625	166,908
2028	154,941	11,967	166,908
Thereafter	<u>160,813</u>	<u>6,095</u>	<u>166,908</u>
	<u>\$ 747,449</u>	<u>\$ 87,111</u>	<u>\$ 834,560</u>

**(10) PENSION PLAN**

All full-time employees of the District are members of the Louisiana Firefighters' Retirement System (the System), a cost-sharing, multiple-employer defined benefit plan administered by a separate board of trustees.

Membership in the System is mandatory for all full-time firefighters employed by a municipality, parish or fire district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least

20 years of creditable service. Upon retirement, members are entitled to a retirement benefit payable monthly for life, equal to three and one-third percent of their final average salary for each year of creditable service, not to exceed 100 percent of their final average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service stated above and do not withdraw their employee contributions may retire at or after age 55 (or at or after 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination.

The system also provides death and disability benefits. Benefits are established by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling, (225) 925-4060.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2024**

**(10) PENSION PLAN (CONTINUED)**

**Funding Policy**

For the twelve months ended December 31, 2024, members of the System are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. At December 31, 2024, the employer contribution rate was 33.25% above poverty and 35.25% below poverty.

The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

**Contributions**

According to state statute, for the System, contribution requirements for all employees are actuarially determined each year. State statute requires covered employees to contribute a percentage of their salaries to the System. The actual employer contribution rate and the actuarially determined employer contribution differ due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

The amount of the District's employer contributions to the System for the year ended December 31, 2024 was \$347,435. The District's covered payroll for the System for the year ended December 31, 2024 was \$1,044,918.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2024, the District reported a liability totaling \$2,021,001 for its proportionate share of the net pension liability for the System. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on the District's historical contributions to the Plan relative to the historical contributions of all participating employers. At June 30, 2024, the District's proportion was 0.358934% for the System, which was a decrease of -0.004648% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the District recognized pension expense for the System totaling \$561,180. Subtracted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$124,663 for the System.

For the year ended December 31, 2024, the District recognized revenue from ad valorem taxes and revenue sharing funds received by the System. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$111,920.



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(10) PENSION PLAN (CONTINUED)**

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the System:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 151,731	\$ 48,065
Change in assumptions	86,459	-
Net difference between projected and actual earnings on pension plan investments	20,443	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	433,424	21,825
Employer contributions subsequent to the measurement date	173,250	-
Total	<u>\$ 865,307</u>	<u>\$ 69,890</u>

Employer contributions subsequent to the measurement date totaling \$173,250 and reported as deferred outflows of resources will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2025	\$ 129,297
2026	367,509
2027	61,150
2028	11,231
2029	41,180
2030	<u>11,800</u>
Total	<u>\$ 622,167</u>

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

**(10) PENSION PLAN (CONTINUED)**

**Actuarial Assumptions**

The total pension liability in the June 30, 2024 actuarial valuation for the System was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost
Estimated Remaining Service Life	7 years, closed period
Investment Rate of Return	6.90% per annum (net of fees)
Inflation Rate	2.50% per annum
Salary increases	Vary from 14.10% in the first years of service to 5.20% after 3 or more years of service
Cost of Living Adjustments	Only those previously granted included

**Mortality Rate**

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables, projected to 2031 using Scale AA, were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

**Long-term Expected Real Rate of Return**

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.50%. The long term expected nominal rate of return was 6.90% as of June 30, 2024.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2024

**(10) PENSION PLAN (CONTINUED)**

Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2024 are summarized in the following table:

Actuarial Assumptions

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
U.S. core fixed income	22.00%	2.09%
U.S. tips	2.00%	2.00%
Emerging market debt	2.00%	4.05%
Multisector fixed income	4.00%	2.34%
U.S. equity	28.50%	6.24%
Non-U.S. equity	11.00%	6.36%
Global equity	10.00%	6.42%
Emerging market equity	4.50%	8.26%
Real estate	4.00%	4.85%
Real assets	3.00%	5.93%
Private equity	<u>9.00%</u>	<u>9.77%</u>
Totals	<u>100.0%</u>	
Inflation		2.50%
Expected arithmetic nominal return		6.90%

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 6.90%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the Net Pension Liability	\$ 3,344,286	\$ 2,021,001	\$ 908,080

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2024

**(10) PENSION PLAN (CONTINUED)**

Retirement System Audit Report

Firefighters' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2024. Access to the audit report can be found on the System's website: [www.lafirefightersret.com](http://www.lafirefightersret.com) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

**(11) CHANGES IN LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended December 31, 2024 are as follows:

	Balance at January 1, 2024	Net Increase (Decrease)	Balance at December 31, 2024
Compensated absences	\$ 127,454	\$ 23,811	\$ 151,265
Net pension liability	<u>2,373,028</u>	<u>(352,026)</u>	<u>2,021,001</u>
	<u>\$ 2,486,141</u>	<u>\$ (328,215)</u>	<u>\$ 2,479,076</u>

**(12) RISKS AND UNCERTAINTIES**

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

**(13) NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has released Statement No. 102, Certain Risk Disclosures. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024. The District plans to adopt this Statement as applicable by the effective date.

The GASB has released Statement No. 103, Financial Reporting Model Improvements (Statement 103). This Statement improves 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 Statement also addresses certain application issues. The requirements of this statement are effective for periods beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024**

**(13) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

The GASB has released Statement No. 104, Disclosure of Certain Capital Assets (Statement 104). The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This Statement is effective for periods beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

**REQUIRED SUPPLEMENTAL INFORMATION (PART II)**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Adopted Budget	Actual	Variance- Favorable (Unfavorable)
<b><u>GENERAL REVENUES:</u></b>			
Ad valorem taxes	\$ 3,672,000	\$ 4,094,338	\$ 422,338
Intergovernmental revenues:			
State revenue sharing	30,000	74,939	44,939
2% fire tax	20,000	53,205	33,205
Federal and state grants	1,000	-	(1,000)
Tax abatement revenue	35,000	20,942	(14,058)
Workers compensation dividend	50,000	88,257	38,257
Investment earnings	175,000	213,658	38,658
Miscellaneous	10,500	35,122	24,622
	<u>3,993,500</u>	<u>4,580,461</u>	<u>586,961</u>
Total general revenues			
<b><u>EXPENDITURES:</u></b>			
Public Safety - Fire protection:			
Salaries and benefits	2,435,510	2,497,623	(62,113)
Insurance	228,284	258,999	(30,715)
Disptaching	46,000	39,143	6,857
Repairs and maintenance	146,000	249,768	(103,768)
Utilities	46,500	47,019	(519)
Professional fees	45,000	57,272	(12,272)
Training and education	106,500	82,613	23,887
Fuel and oil	77,500	50,884	26,616
Office expense	13,000	26,658	(13,658)
Supplies	38,000	37,490	510
Uniforms	30,000	49,792	(19,792)
Other	33,100	12,001	21,099
Information technology	76,020	82,420	(6,400)
	<u>3,321,414</u>	<u>3,491,682</u>	<u>(170,268)</u>
Total current fire protection expenditures			
Capital outlays	2,235,000	291,570	1,943,430
Debt service repayment	313,800	315,907	(2,107)
	<u>5,870,214</u>	<u>4,099,159</u>	<u>1,771,055</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	(1,876,714)	481,302	2,358,016
<b><u>FUND BALANCE:</u></b>			
Beginning of year	\$ 5,870,214	6,761,405	
End of year	<u>\$ 3,993,500</u>	<u>\$ 7,242,707</u>	

(See Independent Auditors' Report)

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE TEN YEARS ENDED DECEMBER 31, 2024**

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
District's Proportion of the Net Pension Liability	0.358934%	0.337540%	0.250002%	0.290000%	0.220000%	0.210000%	0.210000%	0.120000%	0.057000%	0.057000%
District's Proportionate Share of the Net Pension Liability	\$ 2,021,002	\$ 2,380,093	\$ 1,762,837	\$ 1,030,563	\$ 1,506,226	\$ 1,341,408	\$ 1,184,175	\$ 697,790	\$ 537,237	\$ 299,664
District's Covered-Employee Payroll	\$ 1,000,133	\$ 867,533	\$ 681,046	\$ 788,524	\$ 664,398	\$ 679,547	\$ 601,870	\$ 521,165	\$ 344,542	\$ 171,962
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	202.07%	274.35%	258.84%	130.70%	226.71%	197.40%	196.75%	133.89%	155.93%	174.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.68%	77.69%	74.68%	86.78%	72.61%	73.96%	74.76%	73.55%	47.00%	72.41%

*\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.*



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN**  
**FOR THE TEN YEARS ENDED DECEMBER 31, 2024**

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Contractually Required Contribution	\$ 347,435	\$ 332,544	\$ 293,496	\$ 235,793	\$ 150,125	\$ 137,540	\$ 129,887	\$ 108,467	\$ 50,466	\$ 34,514
Contributions in Relation to the Contractually Required Contribution	<u>(347,435)</u>	<u>(332,544)</u>	<u>(292,028)</u>	<u>(235,793)</u>	<u>(150,125)</u>	<u>(137,540)</u>	<u>(129,887)</u>	<u>(108,467)</u>	<u>(50,466)</u>	<u>(34,514)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 1,044,918	\$ 1,000,133	\$ 867,533	\$ 788,524	\$ 664,398	\$ 679,547	\$ 601,870	\$ 521,165	\$ 344,542	\$ 171,962
Contributions as a Percentage of Covered-Employee Payroll										
January 1 to June 30	33.25%	33.25%	33.75%	32.25%	27.75%	26.50%	26.50%	25.25%	27.25%	29.25%
July 1 to December 31	33.25%	33.25%	33.25%	33.75%	32.25%	28.00%	26.50%	26.50%	25.25%	20.07%

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**(1) PENSION PLAN SCHEDULES**

**Changes of Benefit Terms**

There were no changes of benefit terms during any of the years presented.

**Changes of Assumptions**

For the year ended December 31, 2024 (measurement date of June 30, 2024), the Firefighter's Retirement System inflation rate assumption stayed at 2.50% annually, and the real investment rate of return stayed at 6.90%. The salary increase assumptions range stayed at (14.10%-5.2%) annually.

For the year ended December 31, 2023 (measurement date of June 30, 2023), the Firefighter's Retirement System inflation rate assumption stayed at 2.50% annually, and the real investment rate of return stayed at 6.90%. The salary increase assumptions range stayed at (14.10%-5.2%) annually.

For the year ended December 31, 2022 (measurement date of June 30, 2022), the Firefighter's Retirement System inflation rate assumption stayed at 2.50% annually, and the real investment rate of return stayed at 6.90%. The salary increase assumptions range stayed at (14.10%-5.2%) annually.

For the year ended December 31, 2021 (measurement date of June 30, 2021), the Firefighter's Retirement System inflation rate assumption stayed at 2.50% annually, and the real investment rate of return was lowered from 7.00% to 6.90%. The salary increase assumptions range stayed at (14.10%-5.2%) annually.

For the year ended December 31, 2020 (measurement date of June 30, 2020), the Firefighter's Retirement System inflation rate assumption stayed at 2.50% annually, and the real investment rate of return was lowered from 7.15% to 7.00%. The salary increase assumptions range went from (14.75%-4.5%) to (14.10%-5.20%).

For the year ended December 31, 2019 (measurement date of June 30, 2019), the Firefighter's Retirement System inflation rate assumption was lowered from 2.70% to 2.50% annually, and the real investment rate of return was lowered from 7.30% to 7.15%.

For the year ended December 31, 2018, the Firefighter's Retirement System inflation rate assumption was lowered from 2.775% to 2.70% annually, and the real investment rate of return was lowered from 7.40% to 7.30%.

For the year ended December 31, 2017, the Firefighter's Retirement System's inflation rate assumption was lowered to 2.775%, and the discount rate, or investment rate of return, assumption was lowered from 7.50% to 7.40%.

## **OTHER SUPPLEMENTAL INFORMATION**

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<u><b>Board of Commissioners</b></u>	<u><b>Compensation</b></u>
George Osbourn - Chairman	\$ 700
Mark Cortez - Commissioner	900
Vanessa Wall - Treasurer	100
Jorge Fernandez - Commissioner	1,100
Silton DeVillier, Vice Chairman	1,200

(See Independent Auditors' Report)

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Lonnie Johnson, Fire Chief**

<u><b>Purpose</b></u>	<u><b>Amount</b></u>
Salary*	\$ 115,732
Benefits - insurance	10,374
Benefits - retirement**	<u>11,250</u>
Total compensation, benefits and other payments	<u><u>\$ 137,356</u></u>

\* This amount is gross, including State Supplemental Pay of \$7,200 annually.

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

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



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

To the Board of Commissioners  
St Tammany Parish Fire Protection District No. 13  
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of St. Tammany Parish Fire Protection District No. 13, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the St. Tammany Parish Fire Protection District No. 13's basic financial statements and have issued our report thereon dated May 23, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Fire Protection District No. 13's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Tammany Parish Fire Protection District No. 13's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Fire Protection District No. 13's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of St. Tammany Parish Fire Protection District No. 13's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



To the Board of Commissioners  
St. Tammany Parish Fire Protection District No. 13  
May 23, 2025

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Tammany Parish Fire Protection District No. 13's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

May 23, 2025  
Mandeville, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**SECTION I SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of St. Tammany Parish Fire Protection District No. 13.
2. No significant deficiencies or material weaknesses disclosed during the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of St. Tammany Parish Fire Protection District No. 13, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. A management letter was not issued for the year ended December 31, 2024.

**SECTION II FINANCIAL STATEMENT FINDINGS**

Not Applicable

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Not applicable.

**SECTION II MANAGEMENT LETTER**

Not applicable.