

**ST. TAMMANY PARISH
FIRE PROTECTION DISTRICT NO. 5**

Audit of Financial Statements

December 31, 2022



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Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Fire Protection District No. 5
Folsom, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of St. Tammany Parish Fire Protection District No. 5 (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2022, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 that the budgetary comparison schedule on page 29, the note to the budgetary comparison schedule on page 30, and the pension schedules on pages 31 and 32 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 the 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.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is 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 April 28, 2023 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.



A Professional Accounting Corporation

Baton Rouge, LA
April 28, 2023

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Statement of Net Position
December 31, 2022

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 401,467
Receivables - Ad Valorem Taxes, Net	1,121,925
Receivables - State Revenue Sharing	21,516
Capital Assets, Net of Accumulated Depreciation	833,898
	<hr/>
Total Assets	2,378,806
Deferred Outflows of Resources	
Pensions	465,838
	<hr/>
Liabilities	
Accounts Payable	11,395
Accrued Expenses	43,698
Accrued Interest	4,329
Notes Payable	
Due in One Year	51,487
Due in More than One Year	190,589
Compensated Absences	18,547
Net Pension Liability	769,240
	<hr/>
Total Liabilities	1,089,285
Deferred Inflows of Resources	
Pensions	46,066
	<hr/>
Net Position	
Net Investment in Capital Assets	591,822
Unrestricted	1,117,471
	<hr/>
Total Net Position	<u><u>\$ 1,709,293</u></u>

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Statement of Activities
For the Year Ended December 31, 2022

Function/Program	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Position
		Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities				
Public Safety - Fire Protection	\$ 1,276,659	\$ 31,054	\$ 8,005	\$ (1,237,600)
Interest on Long-Term Debt	10,151	-	-	(10,151)
Total	\$ 1,286,810	\$ 31,054	\$ 8,005	(1,247,751)
General Revenues				
Ad Valorem Taxes				1,151,476
Intergovernmental Revenues				
State Revenue Sharing				32,252
Fire Insurance Premium Tax				55,178
Supplemental Pay				24,000
Other Income				28,497
Interest Income				8,310
Total General Revenues				1,299,713
Change in Net Position				51,962
Net Position, Beginning of Year				1,657,331
Net Position, End of Year				\$ 1,709,293

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Balance Sheet
Governmental Funds
December 31, 2022

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 401,467
Receivables - Ad Valorem Taxes, Net	1,121,925
Receivables - State Revenue Sharing	<u>21,516</u>
Total Assets	<u><u>\$ 1,544,908</u></u>
Liabilities	
Accounts Payable	\$ 11,395
Accrued Expenses	<u>43,698</u>
Total Liabilities	<u>55,093</u>
Deferred Inflows of Resources	
Unavailable Ad Valorem Taxes	<u>79,817</u>
Total Deferred Inflows of Resources	<u>79,817</u>
Fund Balance	
Unassigned	1,329,613
Assigned	<u>80,385</u>
Total Fund Balance	<u>1,409,998</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 1,544,908</u></u>

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2022

Total Fund Balance	\$ 1,409,998
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	833,898
Deferred inflows of resources - unavailable ad valorem taxes are not reported on government-wide financial statements.	79,817
Deferred inflows of resources - pension used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	(46,066)
Deferred outflows of resources - pension used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	465,838
Long-term liabilities, including certificates of indebtedness, notes payable, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Accrued Interest	(4,329)
Accrued Compensated Absences Payable	(18,547)
Notes Payable	(242,076)
Net Pension Liability	<u>(769,240)</u>
Net Position of Governmental Activities	<u>\$ 1,709,293</u>

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General Fund
Revenues	
Ad Valorem Taxes	\$ 1,108,651
Intergovernmental Revenues	
State Revenue Sharing	32,252
Fire Insurance Premium Tax	55,178
Supplemental Pay	24,000
Other Revenue	28,497
Grant Revenue	8,005
Interest Income	8,310
	<hr/>
Total Revenues	1,264,893
	<hr/>
Expenditures	
Public Safety - Fire Protection	
Salaries and Benefits	790,303
Operations and Repairs	69,071
Insurance	69,193
Professional Fees	31,371
Equipment and Supplies	33,469
Dispatcher Fees	23,050
Utilities	20,643
Other	9,989
Training	9,919
Office Supplies	659
Capital Outlay	25,540
Debt Service - Principal	40,642
Debt Service - Interest	10,821
	<hr/>
Total Expenditures	1,134,670
	<hr/>
Net Change in Fund Balance	130,223
Fund Balance, Beginning of Year	1,279,775
	<hr/>
Fund Balance, End of Year	\$ 1,409,998
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The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2022

Net Change in Fund Balance	\$ 130,223
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>	(133,903)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>	
<p style="padding-left: 40px;">Change in Unavailable Ad Valorem Taxes</p>	42,825
<p>The issuance of long-term debt (e.g., certificates of indebtedness, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	40,747
<p>Governmental funds report retirement contributions as expenditures, but pension expense on the statement of activities includes the change in net pension liability as well as the change in deferred inflows and outflows of resources related to pensions.</p>	(32,929)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>	
<p style="padding-left: 40px;">Change in Accrued Interest</p>	670
<p style="padding-left: 40px;">Change in Compensated Absences Payable</p>	4,329
<p style="padding-left: 80px;">Change in Net Position of Governmental Activities</p>	<u><u>\$ 51,962</u></u>

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity

St. Tammany Parish Fire Protection District No. 5 (the District) was created by St. Tammany Parish (the Parish), as provided by Louisiana Revised Statute (R.S.) 40:1492. The District was created to acquire, maintain, and operate buildings, machinery, equipment, water tanks, water hydrants, and water lines, and any other things necessary to provide proper fire prevention and control within the district limits. The administration of the District is governed by a Board of Commissioners (the Board) consisting of five members. Two members are appointed by St. Tammany Parish and two by the governing body of the Town of Folsom. The fifth member is selected by the other four members and serves as chairman. Vacancies are filled by the bodies making the original appointments.

The District operates four fire stations; however, only two are manned with district personnel. The District provides fire protection and emergency medical services to an area covering approximately 90 square miles. Fire protection services are provided by volunteers, full-time and part-time paid firefighters, and a full-time fire chief.

Governmental Accounting Standards Board Statement No. 14, *The Reporting Entity*, as amended, 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 St. Tammany Parish, which appoints two of the district board members and has the ability to impose its will on the Board. 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 a discrete component unit.

Basis of Presentation

The accompanying basic 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 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 in June 2011.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District's funds are classified as governmental-type activities.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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

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 related to certain district functions and 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 the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds.

The District reports the following major governmental fund:

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

Measurement Focus / Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the 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 the government-wide financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus / Basis of Accounting (Continued)

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. The District considers all revenues available if they are collected within 60 days after the fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state revenue sharing, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The District considers ad valorem taxes to be available when collected by the St. Tammany Parish Sheriff. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits and money market accounts. Amounts in time deposits and those investments with original maturities of 90 days or less are considered to be cash equivalents. 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.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market.

Receivables

All receivables are reported net of estimated uncollectible amounts. The allowance for uncollectible amounts was \$24,093, which represents 2% of the total ad valorem tax receivable at December 31, 2022. This estimate is based on the District's history of collections within this revenue stream.

Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

In the fund financial statements, capital assets used in the governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

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

Capital assets being constructed and in progress as of the date of the financial statements are reported as construction in progress.

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

Buildings	40 Years
Fire Trucks	15 Years
Firefighting Equipment	5 - 10 Years
Vehicles	5 Years
Furniture and Fixtures	5 Years

Total depreciation expense for the year ended December 31, 2022 was \$159,443.

Compensated Absences

The District's full-time employees shall be entitled to and given, with full pay, sick leave aggregating no less than fifty-two (52) weeks during a calendar year for any sickness or injury or incapacity not brought about by their own negligence or culpable indiscretion. Also, after having served one (1) year, full-time employees shall be entitled to an annual vacation of eighteen (18) calendar days with full pay. This vacation period shall be increased one day for each year of service over ten (10) years, up to a maximum vacation period of thirty (30) days, all of which shall be with full pay. Unused accumulated sick and vacation leave are paid only upon approval by the Board of Commissioners. At December 31, 2022, the District had compensated absences of \$18,547 which is reported as a liability on the statement of net position.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position.

In the fund financial statements, the face amount of any debt issued is reported as other financing sources. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when paid.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 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 assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted Net Position* - Consists of net position with constraints placed on its use either by external groups or law.
- c. *Unrestricted Net Position* - Consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the governmental fund financial statements, fund balances are classified as follows:

1. *Assigned Fund Balance* - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.
2. *Unassigned Fund Balance* - All amounts not included in spendable classifications.

The District considers assigned fund balances to be spent first when both assigned and unassigned fund balance is available to be used.

Budget Policies

The District adopts an annual budget for the General Fund on the cash basis of accounting. The budget is legally adopted and amended as necessary by the District. All budgeted amounts which are not expended or obligated through contracts lapse at year-end. During the year ended December 31, 2022, actual expenditures (budgetary basis) of \$1,143,663 exceeded budgeted amounts of \$1,126,011 resulting in an unfavorable variance of \$17,652.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements - Adopted

During the year, the District implemented the provisions of GASB Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating and recognized as inflows or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. The implementation of this standard had no impact on beginning net position of the District. The impacts of implementation of this standard are in financial presentation only. Lease agreements held by the District previously classified as capital leases are considered financed purchases under the new standard, and are no longer in the scope of GASB 87. These financed purchases will now be classified as notes payable in the financial statements and notes to the financial statements. There were no other significant changes to the liability balances or quantitative and qualitative information disclosed.

New Accounting Pronouncements - Not Yet Adopted

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement enhances the accounting and financial reporting requirements for accounting changes and error corrections. This Statement is effective for fiscal years beginning after June 15, 2023.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements - Not Yet Adopted (Continued)

The GASB issued Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for fiscal years beginning after December 15, 2023.

Management is currently determining the expected impact of implementation of the above standards on the financial statements and notes to the financial statements.

Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at December 31, 2022:

Non-Interest-Bearing Demand Deposits	<u>\$ 401,467</u>
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Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District does not have a deposit policy for custodial credit risk. As of December 31, 2022, \$88,284 of the District's bank balance was exposed to custodial credit risk and was collateralized by securities pledged by the District's bank.

Note 3. Levied Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes are levied by the District during the year, billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31st of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when levied, to the extent that they are determined to be currently collectible. The St. Tammany Parish Sheriff bills and collects property taxes using the assessed value determined by the Tax Assessor of St. Tammany Parish.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 40,577	\$ -	\$ -	\$ 40,577
Construction in Progress	-	10,250	-	10,250
Total Capital Assets, Not Being Depreciated	40,577	10,250	-	50,827
Capital Assets, Being Depreciated				
Buildings	655,533	-	-	655,533
Fire Trucks	1,010,157	-	-	1,010,157
Firefighting Equipment	696,984	-	-	696,984
Vehicles	591,947	15,290	-	607,237
Furniture and Fixtures	18,370	-	-	18,370
Total Capital Assets, Being Depreciated	2,972,991	15,290	-	2,988,281
Less Accumulated Depreciation for:				
Buildings	(387,543)	(15,655)	-	(403,198)
Fire Trucks	(691,620)	(70,170)	-	(761,790)
Firefighting Equipment	(596,421)	(32,941)	-	(629,362)
Vehicles	(354,803)	(39,757)	-	(394,560)
Furniture and Fixtures	(15,380)	(920)	-	(16,300)
Total Accumulated Depreciation	(2,045,767)	(159,443)	-	(2,205,210)
Total Capital Assets, Being Depreciated, Net	927,224	(144,153)	-	783,071
Total Capital Assets, Net	\$ 967,801	\$ (133,903)	\$ -	\$ 833,898

Note 5. Notes Payable

In prior years, the District entered into lease agreements for the acquisition of fire protection equipment. These lease agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum note payments as of the inception date.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 5. Notes Payable (Continued)

The outstanding lease agreements are as follows:

Lease dated May 24, 2016 for the acquisition of two 2016 Class A pumper fire trucks maturing on May 20, 2028, with twelve annual payments of \$35,274 with interest.	\$ 187,462
Lease dated October 15, 2019 for the acquisition of a 2010 International Chassis fire truck maturing on October 15, 2026, with seven annual payments of \$16,212 with interest.	<u>54,614</u>
	242,076
Less: Due in One Year	<u>(51,487)</u>
Notes Payable - Long-Term Portion	<u>\$ 190,589</u>

The future minimum note payable obligations and the net present value of these minimum note payments as of December 31, 2022 are as follows:

Year Ending December 31,	Amount
2023	\$ 51,487
2024	51,487
2025	51,487
2026	47,583
2027	35,274
2028	<u>35,274</u>
Total Minimum Note Payments	272,592
Less: Amount Representing Interest	<u>(30,516)</u>
Present Value of Minimum Note Payments	<u>\$ 242,076</u>

At December 31, 2022, the book value of the financed purchases was \$196,854.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 6. Changes in Long-Term Debt

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

	Notes Payable	Net Pension Liability	Compensated Absences	Total
Payable at January 1, 2022	\$ 282,823	\$ 390,090	\$ 22,876	\$ 695,789
Additions	-	379,150	-	379,150
Retired	(40,747)	-	(4,329)	(45,076)
Payable at December 31, 2022	\$ 242,076	\$ 769,240	\$ 18,547	\$ 1,029,863

Note 7. Louisiana Firefighters' Retirement System Pension

Plan Description and Provisions

Substantially all employees of the District are members of the Firefighters' Retirement System of Louisiana (the System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Benefit provisions are authorized within Act 434 of 1979 and amended by R.S. 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information. The System issues a stand-alone report on its financial statements. Access to the audit report can be found on the System's website www.lafirefightersret.com.

Eligibility Requirements

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 employment. No person who has attained age 50 or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the State of Louisiana, its agencies, or political subdivisions, and who is receiving retirement benefits therefrom may become a member of the System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with the System, or for any other purpose in order to attain eligibility or increase the amount of service credit in the System.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 7. Louisiana Firefighters' Retirement System Pension (Continued)

Retirement Benefits

Employees are eligible to retire at or after age 55 with at least 12 years of creditable service, at or after age 50 with at least 20 years of creditable service, or at any age with 25 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% 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 and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 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 or amended by state statute.

Deferred Retirement Option Plan

After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to the member's regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the DROP account until the participant retires.

Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Employer Contributions and Non-Employer Contributions

Employer contributions are actuarially determined each year. For the plan year ended June 30, 2022, employer and employee contributions for members above the poverty line were 33.75% and 10.00%, respectively. For the plan year ending June 30, 2023, employer and employee contributions for members above the poverty line are 33.25% and 10.00%, respectively.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 7. Louisiana Firefighters' Retirement System Pension (Continued)

Employer Contributions and Non-Employer Contributions (Continued)

According to state statute, the System receives insurance premium assessments from the State of Louisiana. The assessment is considered support from a non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended December 31, 2022 and excluded from pension expense. Non-employer contributions made to the System on behalf of the District during the year ended December 31, 2022 were \$31,054.

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

At December 31, 2022, the District reported a liability of \$769,240 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and was determined by actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all governments, actuarially determined. At June 30, 2022, the District's proportionate share was .109092%, which was a decrease of .001% from its proportionate share measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized pension expense of \$160,567. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 4,598	\$ 36,258
Net Difference between Projected and Actual Earnings on Pension Plan Investments	174,253	-
Changes in Proportion	174,278	9,808
Changes in Assumptions	63,429	-
District Contributions Subsequent to the Measurement Date	49,280	-
Total	\$ 465,838	\$ 46,066

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 7. Louisiana Firefighters' Retirement System Pension (Continued)

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

In the year ending December 31, 2023, \$49,280 reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date will be recognized. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2023	\$ 87,173
2024	78,901
2025	56,493
2026	131,292
2027	19,427
2028	<u>(2,794)</u>
Total	<u><u>\$ 370,492</u></u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining net pension liability as of June 30, 2022 is as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	7 years, closed period
Investment Return	6.90% per annum, net of investing expenses, including inflation
Inflation Rate	2.50% per annum
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service
Cost-of-Living Adjustments	Only those previously granted

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 7. Louisiana Firefighters' Retirement System Pension (Continued)

Actuarial Assumptions (Continued)

Actuarial assumptions utilized in the Employer Pension Report for fiscal year 2022 are based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019, unless otherwise specified.

For the June 30, 2022 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases, the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

The June 30, 2022 estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target allocation as of January 2022 and the Curran Actuarial Consulting Average Study for 2022 (the Study). The Study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms.

Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process. The discount rate used to measure the total pension liability was 6.90%, no change from the prior measurement date.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 7. Louisiana Firefighters' Retirement System Pension (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity		
U.S. Equity	27.5%	5.64%
Non-U.S. Equity	11.5%	5.89%
Global Equity	10.0%	5.99%
Emerging Market Equity	7.0%	7.75%
Fixed Income		
U.S. Core Fixed Income	18.0%	0.84%
U.S. TIPS	3.0%	0.51%
Emerging Market Debt	5.0%	2.99%
Multi-Asset Strategies		
Global Tactical Asset Allocation	0.0%	3.14%
Risk Parity	0.0%	3.14%
Alternatives		
Private Equity	9.0%	8.99%
Real Estate	6.0%	4.57%
Real Assets	3.0%	4.89%
	<u>100.0%</u>	

The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these 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.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5

Notes to Financial Statements

Note 7. Louisiana Firefighters' Retirement System Pension (Continued)

Sensitivity to Changes in Discount Rate

The following represents the net pension liability of the District using the discount rate of 6.90% as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's Proportionate Share of the Net Pension Liability	\$ 1,138,005	\$ 769,240	\$ 461,663

Note 8. Compensation Paid to Commission Members

The schedule of compensation paid is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Compensation paid to the Board of Commissioners of the District for the year ended December 31, 2022 was as follows:

Mike Sanders	\$ 1,200
Shawn Williams	1,200
William Mehaffey	900
Ken Wilt	1,200
Alvin J. Roussel, Jr.	1,100
Total	\$ 5,600

Note 9. Litigation and Claims / Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

Note 10. On-Behalf Payments by the State of Louisiana

For the year ended December 31, 2022, the State of Louisiana made on-behalf payments in the form of supplemental pay to four of the District's firemen. In accordance with GASB Statement No. 24, the District has recorded \$24,000 of on-behalf payments as revenue and as expense.

REQUIRED SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Budgetary Comparison Schedule (Budgetary Basis)
General Fund
For the Year Ended December 31, 2022

	<u>Budgetary Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Ad Valorem Taxes	\$ 1,021,945	\$ 960,788	\$ 960,788	\$ -
Intergovernmental Revenues				
State Revenue Sharing	30,000	32,098	32,098	-
Fire Insurance Premium Tax	28,002	55,178	55,178	-
Supplemental Pay	-	-	24,000	24,000
Interest Income	650	8,310	8,310	-
Grant Revenue	-	8,005	8,005	-
Other Income	-	28,497	28,497	-
Total Revenues	1,080,597	1,092,876	1,116,876	24,000
Expenditures				
Public Safety - Fire Protection				
Salaries and Benefits	739,749	766,107	788,685	(22,578)
Operations and Repairs	63,000	81,310	91,643	(10,333)
Insurance	61,868	69,193	69,193	-
Other	11,500	9,208	11,290	(2,082)
Professional Fees	28,000	31,371	41,621	(10,250)
Utilities	22,000	20,643	20,643	-
Dispatcher Fees	22,541	20,662	23,050	(2,388)
Training	12,000	9,715	9,919	(204)
Equipment and Supplies	43,305	52,899	35,497	17,402
Office Supplies	1,250	659	659	-
Capital Outlay	22,172	12,862	-	12,862
Debt Service - Principal	42,391	40,561	40,642	(81)
Debt Service - Interest	10,821	10,821	10,821	-
Total Expenditures	1,080,597	1,126,011	1,143,663	(17,652)
Net Change in Fund Balance	\$ -	\$ (33,135)	(26,787)	\$ 6,348
Fund Balance, Beginning of Year			<u>428,254</u>	
Fund Balance, End of Year			<u>\$ 401,467</u>	

See independent auditor's report.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Note to Budgetary Comparison Schedule
For the Year Ended December 31, 2022

Note A. Reconciliation of Budgetary Basis to GAAP Basis

The District maintains its accounting records and prepares and adopts its budget under the cash basis of accounting. Accounting principles generally accepted in the United States of America (GAAP) require the statement of revenues, expenditures, and changes in fund balance for the General Fund to be reported using the modified accrual basis of accounting. The budgetary comparison schedule is presented using the cash basis, which is the same as the legally adopted budget. Reconciliation to the GAAP basis has been provided below:

	Actual Amounts (Budgetary Basis)	Budget to GAAP Differences Over (Under)	Actual Amounts (GAAP Basis)
Revenues			
Ad Valorem Taxes	\$ 960,788	\$ 147,863	\$ 1,108,651
Intergovernmental Revenues			
State Revenue Sharing	32,098	154	32,252
Fire Insurance Premium Tax	55,178	-	55,178
Supplemental Pay	24,000	-	24,000
Interest Income	8,310	-	8,310
Grant Revenue	8,005	-	8,005
Other Income	28,497	-	28,497
Total Revenues	1,116,876	148,017	1,264,893
Expenditures			
Public Safety - Fire Protection			
Salaries and Benefits	788,685	1,618	790,303
Operations and Repairs	91,643	(22,572)	69,071
Insurance	69,193	-	69,193
Other	11,290	(1,301)	9,989
Professional Fees	41,621	(10,250)	31,371
Utilities	20,643	-	20,643
Dispatcher Fees	23,050	-	23,050
Training	9,919	-	9,919
Equipment and Supplies	35,497	(2,028)	33,469
Office Supplies	659	-	659
Capital Outlay	-	25,540	25,540
Debt Service - Principal	40,642	-	40,642
Debt Service - Interest	10,821	-	10,821
Total Expenditures	1,143,663	(8,993)	1,134,670
Net Change in Fund Balance	(26,787)	157,010	130,223
Fund Balance, Beginning of Year	428,254	851,521	1,279,775
Fund Balance, End of Year	\$ 401,467	\$ 1,008,531	\$ 1,409,998

See independent auditor's report.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Schedule of District's Proportionate Share of the
Net Pension Liability
For the Year Ended December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
District's Portion of the Net Pension Liability	0.109092%	0.110075%	0.090411%	0.066540%	0.067100%	0.058710%	0.064296%	0.063507%
District's Proportionate Share of the Net Pension Liability	\$ 769,240	\$ 390,090	\$ 626,688	\$ 416,667	\$ 385,964	\$ 337,517	\$ 421,554	\$ 342,754
District's Covered-Employee Payroll	\$ 281,056	\$ 276,099	\$ 225,087	\$ 162,436	\$ 149,630	\$ 134,983	\$ 137,447	\$ 134,965
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	273.70%	141.29%	278.42%	256.51%	241.60%	240.05%	312.30%	249.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.68%	86.78%	72.61%	73.96%	74.76%	73.55%	68.15%	72.45%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Schedule of District's Contributions
For the Year Ended December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 96,360	\$ 92,469	\$ 82,688	\$ 44,234	\$ 44,337	\$ 38,769	\$ 37,039	\$ 38,703
Contributions in Relation to the Contractually Required Contribution	(96,360)	(92,469)	(82,688)	(44,234)	(44,337)	(38,769)	(37,039)	(38,703)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 287,706	\$ 280,140	\$ 275,675	\$ 162,820	\$ 167,310	\$ 149,630	\$ 134,983	\$ 137,447
Contributions as a Percentage of Covered-Employee Payroll								
January 1, 2022 to June 30, 2022	33.75%	32.25%	27.75%	26.50%	26.50%	25.25%	27.25%	29.25%
July 1, 2022 to December 31, 2022	33.25%	33.75%	32.25%	27.75%	26.50%	26.50%	25.25%	27.25%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2022

Agency Head
Chief Jamie Truett

Purpose	Amount
Salary *	\$97,797
Benefits - Insurance	\$21,256
Benefits - Retirement	\$32,798
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

* This amount includes the State Supplemental Pay of \$6,000 YTD.

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Fire Protection District No. 5
Folsom, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities and each major fund of St. Tammany Parish Fire Protection District No. 5 (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 28, 2023.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 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 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
April 28, 2023

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 5
Schedule of Findings and Responses
For the Year Ended December 31, 2022

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| c. Noncompliance material to the financial statements? | No |
| d. Other matters identified? | No |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

None.

AGREED-UPON PROCEDURES REPORT

St. Tammany Parish Fire Protection District No. 5

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2022 - December 31, 2022

To the Board of Commissioners of
St. Tammany Parish Fire Protection District No. 5
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the St. Tammany Parish Fire Protection District No. 5's (the District) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2022 through December 31, 2022. The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 1, 2022 through December 31, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results 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.

Results: The District does not have written policies and procedures covering debt service and its written policies and procedures over ethics does not address all the required components as listed above. No other exceptions noted.

2) Board or Finance Committee

- 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- 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.

Results: No exceptions were found as a result of these procedures.

3) Bank Reconciliations

- 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 (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.

Results: No exceptions were found as a result of these procedures.

4) Collections (excluding electronic funds transfers)

- 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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- 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.

Results: Performed the procedures above and noted that one deposit transaction selected for testing was not deposited within one business day of receipt. No other exceptions noted.

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

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

Results: Per our review of the District's policies and procedures covering disbursements, we noted they are not designed such that (B)(iv) can be achieved. No other exceptions noted as a result of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- 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.

Results: Performed the procedures above and noted that support for four of the transactions selected for testing lacked written documentation of the business/public purpose. No other exceptions noted.

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

- 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);

- 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.

Results: Procedures not performed as there were no travel or travel-related expense reimbursements during the period under review.

8) Contracts

- 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - 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.

Results: No exceptions noted as a result of the procedures performed.

9) Payroll and Personnel

- 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 whether 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.

Results: No exceptions were found as a result of these procedures.

10) Ethics

- 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.

Results: No exceptions noted as a result of the procedures performed.

11) Debt Service

- 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).

Results: No exceptions noted as a result of procedures performed.

12) Fraud Notice

- 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. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted as a result of procedures performed.

13) Information Technology Disaster Recovery/Business Continuity

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

Results: We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- 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 1st, 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.

Results: No exceptions noted as a result of procedures performed for (A) and (B) above. For (C), the annual sexual harassment report was completed, but not on or before February 1st. It did contain all the applicable requirements.

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

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

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA
April 28, 2023



St. Tammany Parish Fire Protection District No. 5

13206 Broadway Street

Folsom, Louisiana 70437

985-796-5266

April 28, 2023

Mr. Michael J. Waguespack
Louisiana Legislative Auditor
1600 N 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Statewide Agreed-Upon Procedures

The management of St. Tammany Parish Fire Protection District No. 5 wishes to provide the following responses relative to the results of the 2022 Statewide agreed-upon procedures engagement:

- 1) In response to the results of the Written Policies and Procedures section, we will review and amend the written policies and procedures over ethics as necessary to address all relevant components. We will also adopt written policies and procedures over debt service.
- 2) In response to the results of the Collections section, we will review the current procedures in place and implement any changes necessary to ensure that collections are deposited timely.
- 3) In response to the results of the Non-Payroll Disbursements section, we will review our procedures over disbursements and implement any changes necessary to ensure that appropriate segregation of duties can be achieved.
- 4) In response to the results of the Credit Cards/Debit Cards/Fuel Cards/Purchase Cards section, we will review current procedures in place and implement a plan to ensure that adequate documentation, including copies of itemized receipts and written business/public purchase, is obtained and retained for all purchases.
- 5) In response to the results of the Prevention of Sexual Harassment section, we will develop procedures to ensure the annual report is completed in a timely manner each year.

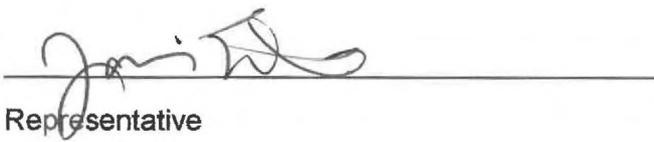
Louisiana Legislative Auditor
RE: Statewide Agreed-Upon Procedures
April 28, 2023

Sincerely,

Management and Board of Commissioners of St. Tammany Parish Fire Protection District No. 5

A handwritten signature in cursive script, appearing to read "Chuck R. Stettin", written over a horizontal line.

Representative

A handwritten signature in cursive script, appearing to read "Jimmie", written over a horizontal line.

Representative