

ANNUAL FINANCIAL REPORT
ST. TAMMANY PARISH
FIRE PROTECTION DISTRICT NO. 11
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
St. Tammany Parish Fire Protection District No. 11
Pearl River, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Tammany Parish Fire Protection District No. 11 (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Notes 1, 6 and 10 to the financial statements, the District adopted GASB 87, *Leases*, which resulted in the recognition of right of use assets and lease liability. Our opinion is not modified with respect to that matter.



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June 29, 2023
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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



St. Tammany Parish Fire Protection District No. 11

June 29, 2023

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- 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 management's discussion and analysis and budgetary comparison information on pages 5 through 8 and 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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June 29, 2023
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Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023 on our consideration of the St. Tammany Parish Fire Protection District No. 11'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Tammany Parish Fire Protection District No. 11's internal control over financial reporting and compliance.

June 29, 2023
Mandeville, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
PEARL RIVER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

This section of St. Tammany Parish Fire Protection District No. 11's (The District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended December 31, 2022. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$833,795.
- The District's general revenues were \$2,244,485 and program revenues were \$289,082.
- The total expenses of the District were \$1,699,772.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

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

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

The following presents condensed financial information of the District.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
PEARL RIVER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

SUMMARY OF NET POSITION
AS OF DECEMBER 31, 2022 AND 2021

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current and other assets	\$ 6,171,552	\$ 5,504,684
Capital assets	<u>651,036</u>	<u>667,057</u>
Total assets	<u>\$ 6,822,588</u>	<u>\$ 6,171,741</u>
Current liabilities	\$ 258,026	\$ 308,277
Long-term liabilities	<u>133,944</u>	<u>266,641</u>
Total liabilities	<u>\$ 391,970</u>	<u>\$ 574,918</u>
Net investment in capital assets	\$ 638,462	\$ 875,546
Unrestricted	<u>5,792,156</u>	<u>4,721,277</u>
Total net position	<u>\$ 6,430,618</u>	<u>\$ 5,596,823</u>

Total assets increased by \$650,847 (11%) primarily due to an increase in cash of \$543,012, and an increase in ad valorem taxes receivable of \$187,680. Total liabilities decreased by \$182,948 (32%) due primarily to decreases in accounts payable and lease liabilities.

Net position increased by \$833,795 (14%) primarily due to an increase in ad valorem taxes and decreases in liabilities.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
PEARL RIVER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
General revenues	\$ 2,244,485	\$ 2,104,234
Program revenues	<u>289,082</u>	<u>282,179</u>
Total revenues	2,533,567	2,386,413
Expenses	<u>(1,699,772)</u>	<u>(1,601,742)</u>
Change in net position	833,795	784,671
Beginning net position	<u>5,596,823</u>	<u>4,812,152</u>
Ending net position	<u>\$ 6,430,618</u>	<u>\$ 5,596,823</u>

Total revenues increased by \$147,154 due primarily to an increase in ad valorem taxes and charged services. Expenditures/expenses increased by \$98,030 primarily due to an increase in salaries and benefits.

CAPITAL ASSETS

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land	\$ 69,787	\$ 69,787
Buildings	384,551	384,551
Machinery and equipment	<u>1,929,945</u>	<u>1,850,069</u>
	2,384,283	2,304,407
Less: accumulated depreciation	<u>(1,733,247)</u>	<u>(1,637,350)</u>
Total capital assets, net of accumulated depreciation	<u>\$ 651,036</u>	<u>\$ 667,057</u>

During the current year ended December 31, 2022, the District purchased equipment totaling \$88,442. Depreciation expense was \$161,896 for the year ended December 31, 2022.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
PEARL RIVER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

LONG-TERM DEBT

At December 31, 2022, the District had \$12,574 in long-term debt which consisted of a note payable maturing in March of 2023. Additionally, the District had lease liabilities in the amount of \$253,774 for fire equipment.

BUDGETARY HIGHLIGHTS

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Ad valorem taxes	\$ 1,602,675	\$ 1,623,158	\$ 20,483
State revenue sharing	34,116	34,116	-
Fire insurance rebate	48,280	48,280	-
Grant revenue	100,000	100,000	-
Charges for services (EMS)	276,001	289,082	13,081
Investment earnings	69,252	72,517	3,265
Workers compensation dividend	28,470	28,470	-
Miscellaneous	<u>91,074</u>	<u>81,913</u>	<u>(9,161)</u>
 Total	 <u>\$ 2,249,868</u>	 <u>\$ 2,277,536</u>	 <u>\$ 27,668</u>
 Expenditures:			
Fire protection and EMS	\$ 1,565,130	\$ 1,458,350	106,780
Debt service	139,571	139,572	(1)
Capital outlay	<u>33,386</u>	<u>88,442</u>	<u>(55,056)</u>
 Total	 <u>\$ 1,738,087</u>	 <u>\$ 1,686,364</u>	 <u>\$ 51,723</u>

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

In 2023, no revenues or expenses are expected to change significantly during the year.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and customers with an overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Fire Chief Jack Dockery, St Tammany Parish Fire Protection District No. 11, 64279 LA-3081, Pearl River, Louisiana, 70452.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS:

Cash and cash equivalents	\$ 3,648,468
Receivables:	
Ad valorem taxes, net of allowance for uncollectible taxes of \$38,081	1,857,796
State revenue sharing	34,973
EMS receivable, net of allowance for uncollectible accounts of \$66,139	43,198
Other receivables	8,964
Prepaid expenses	30,552
Right of use assets, net of accumulated amortization	547,601
Capital assets, net of accumulated depreciation	<u>651,036</u>
 Total assets	 <u>6,822,588</u>

LIABILITIES:

Accounts payable	65,835
Lease liability - current	119,830
Notes payable - current	12,574
Sheriff's pension deductions payable	59,787
Lease liability - noncurrent	<u>133,944</u>
 Total liabilities	 <u>391,970</u>

NET POSITION:

Net investment in capital assets	638,462
Unrestricted - board designated	801,690
Unrestricted - undesignated	<u>4,990,466</u>
 Total net position	 <u>\$ 6,430,618</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Function/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
<u>Governmental activities:</u>				
Public Safety	\$ 1,699,772	\$ 289,082	\$ -	\$ (1,410,690)
Total governmental activities	\$ 1,699,772	\$ 289,082	\$ -	(1,410,690)
General revenues:				
Ad valorem taxes				1,878,332
2% fire tax				48,280
State revenue sharing				34,973
Workers compensation dividend				28,470
Investment earnings				72,517
Tax abatement revenue				100,000
Other income				81,913
Total general revenues				2,244,485
Change in net position				833,795
Net position - beginning				5,596,823
Net position - ending				\$ 6,430,618

See accompanying NOTES TO FINANCIAL STATEMENTS

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

ASSETS:

Cash and cash equivalents	\$ 3,648,468
Receivables:	
Ad valorem taxes, net of allowance for uncollectible taxes of \$38,081	1,857,796
State revenue sharing	34,973
EMS receivable, net of allowance for uncollectible accounts of \$66,139	43,198
Other receivables	8,964
Prepaid expenses	<u>30,552</u>
 Total assets	 <u><u>\$ 5,623,951</u></u>

LIABILITIES:

Accounts payable and accrued liabilities	\$ 65,835
Sheriff's pension deduction payable	<u>59,787</u>
 Total liabilities	 <u>125,622</u>

DEFERRED INFLOWS OF RESOURCES:

Unavailable revenue - property taxes	<u>70,133</u>
 Total deferred inflows of resources	 <u>70,133</u>

FUND BALANCE:

Nonspendable: prepaid expenses	30,552
Committed	801,690
Unassigned	<u>4,595,954</u>
 Total fund balance	 <u>5,428,196</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u><u>\$ 5,623,951</u></u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Fund balance - total governmental funds	\$ 5,428,196
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Right of use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	547,601
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	651,036
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. All liabilities (both current and long-term) are reported in the Statement of Net Position:	
Lease liability	(253,774)
Notes payable	(12,574)
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.	<u>70,133</u>
Net position of governmental activities	<u>\$ 6,430,618</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General Fund</u>
<u>GENERAL REVENUES:</u>	
Ad valorem taxes	\$ 1,870,625
Intergovernmental revenues:	
State revenue sharing	34,973
2% Fire tax	48,280
Grant revenue	100,000
Charges for services (EMS)	289,082
Investment earnings	72,517
Workers compensation dividend	28,470
Miscellaneous	<u>81,913</u>
Total general revenues	<u>2,525,860</u>
<u>EXPENDITURES:</u>	
Public Safety - Fire Protection:	
Salaries and benefits	1,002,117
Dispatching	32,582
Office expense	9,728
Insurance	149,344
Professional fees	83,214
Utilities	33,667
Repairs and maintenance	64,458
Supplies	35,643
Fuel and oil	28,986
Training and education	8,561
Other	10,720
Sheriff's pension deduction	59,787
Uniforms	<u>9,694</u>
Total current fire protection expenditures	<u>1,528,501</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

EXPENDITURES:

Debt service - principal	130,197
Debt service - interest	9,375
Capital outlays	<u>88,442</u>
Total expenditures	<u>1,756,515</u>

Net change in fund balance	769,345
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FUND BALANCE:

Beginning of year	<u>4,658,851</u>
End of year	<u>\$ 5,428,196</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balance - governmental fund	\$	769,345
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation expense of \$161,896 exceeded capital asset additions of \$88,442 in the current period		(73,454)
Repayments of note principal are reported as financing used in governmental funds and thus contribute to the reduction in fund balance. In the Statement of Net Position, however, repayment of debt decreases the long-term liabilities and does not affect the Statement of Activities		130,197
Under the modified accrual basis of accounting used in the governmental funds, advances of derived tax revenues is not recognized until received, rather than as it is earned. This is the amount by which prior year advances of derived tax revenues recognized of \$62,426 were exceeded by current advances of derived tax revenues recognized of \$70,133		<u>7,707</u>
Change in net position	\$	<u><u>833,795</u></u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The mission of St. Tammany Parish Fire Protection District No. 11 (the District) is to provide fire protection in that area of St. Tammany Parish (the Parish) which includes Pearl River, Louisiana. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to government entities. The following is a summary of significant accounting policies.

Reporting Entity

The District was created in 1977 by Ordinance 691 of St. Tammany Parish Government. The District is governed by a Board of Commissioners, which is appointed by St. Tammany Parish. The Board consists of five Commissioners who serve two-year terms.

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

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

Basis of Presentation

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

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

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

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

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

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

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

Basic Financial Statements – Fund Financial Statements (FFS)

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

Governmental Fund:

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

General Fund

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

Accrual

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

Modified Accrual

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

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

Revenues

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

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

All other revenues are recorded when received.

Expenditures

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Receivables and Payables

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

Property taxes are levied on a calendar year basis, become due on December 31 and are considered delinquent on January 1. The District authorized and levied a 40.30 mill ad valorem tax for operations and maintenance for the year ended December 31, 2022. The following are the principal taxpayers and related property tax revenue for the entity:

	<u>Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Associated Wholesale Grocers	\$ 15,673,045	27.00%
Rooms to Go Louisiana Corporation	2,813,533	4.84%
Central LA Elec Co	1,741,240	3.00%
NSA Property Holdings LLC	504,475	0.87%
SIKA Investments LLC	412,671	0.71%
Planet Storage LLC	347,926	0.60%
Norfolk Southern Corp	334,630	0.58%
SKF Properties LLC	320,989	0.55%
Bell South Communications	309,365	0.53%
84 Indemnity Company	<u>295,416</u>	<u>0.51%</u>
	<u>\$ 22,753,290</u>	<u>39.19%</u>

Tax Abatements

St. Tammany Parish negotiates tax abatement agreements on the District's behalf on an individual basis. The agreements are negotiated under a special exemption through St. Tammany Parish Development District for a variety of economic development purposes, including business relocation, retention, and expansion. The abatements may be granted to any business located within the Parish for promising to relocate to the Parish's geographic area.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Abatements (continued)

The District is subject to in lieu of property tax agreements with two entities as of December 31, 2022:

- Associated Wholesale Grocers – abatement on land, building, and immovable equipment and furniture.
- Rooms to Go – abatement on land, building, and immovable equipment and fixtures.

During the year ended December 31, 2022, the District received \$100,000 in lieu of the property taxes that would have been assessed for these entities.

Emergency Medical Services (EMS) Receivable

The District has agreements with other third-party payers that provide for payments at amounts different from its established rates. Net emergency medical service revenue is recorded at the estimated realizable amount from patients, third-party payers, and others for services rendered, based upon prior years' experience and management's analysis of possible bad debts. Emergency medical receivables are charged against the allowance when it is determined by the District that payment will not be received. The current policy is to allow for any accounts that are inactive for three months. For the year ended December 31, 2022, the District provided \$301,210 for contractual adjustments to established rates billed and \$60,049 for an allowance for doubtful accounts.

Prepaid Items

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

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide statements. Capital assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold of \$3,000 or more for capitalizing capital assets.

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

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

Buildings and improvements	40 Years
Vehicles	15 Years
Land improvements	20 Years
Furniture and fixtures	5 Years
Equipment	5 - 10 Years

Right of Use Assets

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

Long-Term Debt

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

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

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

Deferred Outflows and Inflows of Resources

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the District has one item that qualifies for reporting in this category, receipt of ad valorem taxes more than 60 days after year end.

Equity Classifications

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

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

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

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

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Use of Estimates

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

New Accounting Pronouncements

The GASB has issued Statement No. 87, "*Leases*." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption of this standard resulted in the District recording right of use assets of \$547,601, net of accumulated amortization and lease liabilities of \$253,774.

Date of Management's Review

Subsequent events have been evaluated through June 29, 2023, which is the date the financial statements were available to be issued.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(3) AD VALOREM TAXES

Ad valorem taxes are levied each November 1st on the assessed value listed as of the prior January 1st for all real property, merchandise, and movable property located within the Parish. Assessed values are established by the St. Tammany Parish Assessor’s Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable December 31st with interest being charged on payments after January 1st. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2022 was \$40.30 per \$1,000 of assessed valuation on property within the District for the purpose of constructing, maintaining, and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes.

(4) CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at December 31, 2022:

Cash and cash equivalents	\$ <u>3,648,468</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

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

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

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

At December 31, 2022, the carrying amount and the bank balances of deposits of the primary government are summarized as follows:

	<u>Bank Balances Category</u>			<u>Bank</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>
Cash	<u>\$ 3,648,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,648,468</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(5) 2% FIRE INSURANCE TAX

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

(6) RIGHT OF USE ASSETS

The District has recorded right of use assets for equipment. The related leases are discussed in Note 10. The right of use assets are amortized on a straight line basis over the estimated useful lives of the equipment. Amortization expense totaled \$57,432 for the year ended December 31, 2022. Right of use asset activity as of and for the year ended December 31, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Right of use assets</u>				
Equipment	\$ 861,497	\$ -	\$ -	\$ 861,497
Less accumulated amortization	<u>(256,464)</u>	<u>(57,432)</u>	<u>-</u>	<u>(313,896)</u>
Total right of use assets, net	<u>\$ 605,033</u>	<u>\$ (57,432)</u>	<u>\$ -</u>	<u>\$ 547,601</u>

(7) CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Capital assets not being depreciated</u>				
Land	\$ 69,787	\$ -	\$ -	\$ 69,787
Machinery and equipment	<u>7,750</u>	<u>-</u>	<u>-</u>	<u>7,750</u>
Total capital assets not being depreciated	<u>77,537</u>	<u>-</u>	<u>-</u>	<u>77,537</u>
<u>Capital assets being depreciated</u>				
Buildings	384,551	-	-	384,551
Machinery and equipment	<u>1,842,319</u>	<u>88,442</u>	<u>(8,566)</u>	<u>1,922,195</u>
Total capital assets being depreciated	<u>2,226,870</u>	<u>88,442</u>	<u>(8,566)</u>	<u>2,306,746</u>
<u>Less accumulated depreciation</u>				
Buildings	(215,534)	(10,613)	-	(226,147)
Machinery and equipment	<u>(1,421,816)</u>	<u>(93,850)</u>	<u>8,566</u>	<u>(1,507,100)</u>
Total accumulated depreciation	<u>(1,637,350)</u>	<u>(104,463)</u>	<u>8,566</u>	<u>(1,733,247)</u>
Total capital assets being depreciated, net	<u>589,520</u>	<u>(16,021)</u>	<u>-</u>	<u>573,499</u>
Total capital assets, net	<u>\$ 667,057</u>	<u>\$ (16,021)</u>	<u>\$ -</u>	<u>\$ 651,036</u>

Depreciation expense of \$104,463 for the year ended December 31, 2022, was charged to fire protection and EMS.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(8) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at December 31, 2022 consist of the following:

Vendors		\$ 24,149
Payroll withholdings		731
Accrued salaries and wages		<u>40,955</u>
		<u>\$ 65,835</u>

(9) LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Note payable with imputed interest at 3.3%, annual payments of \$12,995 until maturity in March, 2023	\$ 24,740	\$ -	\$ (12,166)	\$ 12,574	\$ 12,574
	<u>\$ 24,740</u>	<u>\$ -</u>	<u>\$ (12,166)</u>	<u>\$ 12,574</u>	<u>\$ 12,574</u>

(10) LEASES

The District has entered into two leases for fire equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception of the respective leases. The assets are being amortized over their estimated useful lives. Amortization of the assets under the leases is included in depreciation expense for the year ended December 31, 2022.

Future minimum lease payments under the leases as of December 31, 2022 are as follows:

<u>Year Ending December 31st:</u>	
2023	\$ 126,576
2024	69,443
2025	<u>69,443</u>
Net minimum lease payments	265,462
Amounts representing interest	<u>(11,688)</u>
Present value of net minimum lease payments	<u>\$ 253,774</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(11) DEFERRED COMPENSATION PLAN

The District allows its employees to participate in the Louisiana Public Employees 457(b) Deferred Compensation Plan (the Plan). The Plan was established in accordance with Section 457 of the Internal Revenue Code of 1986, as amended and allows employees to voluntarily elect to contribute a portion of their compensation, up to the lesser of 25% of their compensation or the current IRC limits. The District's contributions for the year ended December 31, 2022 were \$57,373.

(12) RISKS AND UNCERTAINTIES

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

(13) NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The 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 has released Statement No. 101, [Compensated Absences](#) (Statement 101), which replaces GASB Statement No. 16, Accounting for Compensated Absences. The Statement 101 requires liabilities for compensated absences to be recognized for: Leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Under the new Statement a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered; (b) the leave has accumulated; and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the compensated absences liability. The Statement also addresses the timing of the recognition of a liability for certain types of compensated absences, such as sabbatical leave, parental leave, military leave, jury duty leave and other specific types of compensated balances. The Statement is effective for fiscal years beginning after December 15, 2023.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Amended Budget	Actual	Adjustments to Budgetary Basis	Non-GAAP Budgetary Basis	Variance- Favorable (Unfavorable)
GENERAL REVENUES:						
Ad valorem taxes	\$ 1,657,441	\$ 1,602,675	\$ 1,870,625	\$ (247,467)	\$ 1,623,158	\$ 20,483
Intergovernmental revenues		-				
State revenue sharing	31,000	34,116	34,973	(857)	34,116	-
2% fire tax	27,000	48,280	48,280	-	48,280	-
Grant revenue	100,000	100,000	100,000	-	100,000	-
Charges for services (EMS)	168,000	276,001	289,082	-	289,082	13,081
Investment earnings	40,000	69,252	72,517	-	72,517	3,265
Workers compensation dividend	-	28,470	28,470	-	28,470	-
Miscellaneous	55,000	91,074	81,913	-	81,913	(9,161)
Total general revenues	<u>2,078,441</u>	<u>2,249,868</u>	<u>2,525,860</u>	<u>(248,324)</u>	<u>2,277,536</u>	<u>27,668</u>
EXPENDITURES:						
Public Safety						
Salaries and benefits	1,165,243	1,045,164	1,002,117	(10,364)	991,753	53,411
Dispatching	43,000	32,582	32,582	-	32,582	-
Office expense	16,500	9,728	9,728	-	9,728	-
Insurance	140,000	151,225	149,344	-	149,344	1,881
Professional fees	98,300	66,499	83,214	-	83,214	(16,715)
Utilities	39,500	33,667	33,667	-	33,667	-
Repairs and maintenance	111,850	133,498	64,458	-	64,458	69,040
Supplies	48,500	35,643	35,643	-	35,643	-
Fuel and oil	21,200	28,986	28,986	-	28,986	-
Training and education	20,000	8,561	8,561	-	8,561	-
Other	18,000	9,883	10,720	-	10,720	(837)
Sheriff's pension deduction	-	-	59,787	(59,787)	-	-
Uniforms	19,000	9,694	9,694	-	9,694	-
Total current public safety expenditures	<u>1,741,093</u>	<u>1,565,130</u>	<u>1,528,501</u>	<u>(70,151)</u>	<u>1,458,350</u>	<u>106,780</u>
Debt service - principal	150,000	130,466	130,197	-	130,197	269
Debt service - interest	12,697	9,105	9,375	-	9,375	(270)
Capital outlays	70,000	33,386	88,442	-	88,442	(55,056)
Total expenditures	<u>1,973,790</u>	<u>1,738,087</u>	<u>1,756,515</u>	<u>(70,151)</u>	<u>1,686,364</u>	<u>51,723</u>
Excess of revenues over expenditures	<u>104,651</u>	<u>511,781</u>	<u>769,345</u>	<u>(178,173)</u>	<u>591,172</u>	<u>79,391</u>
Net change in fund balance	\$ 104,651	\$ 511,781	\$ 769,345	\$ (178,173)	\$ 591,172	\$ 79,391
FUND BALANCE:						
Beginning of year	<u>4,658,851</u>	<u>4,658,851</u>	<u>4,658,851</u>			
End of year	<u>\$ 4,763,502</u>	<u>\$ 5,170,632</u>	<u>\$ 5,428,196</u>			

(See Independent Auditors' Report)

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Board of Commissioners</u>	<u>Compensation</u>
Michelle Blackwell, Board Chairman	\$1,200
Floyd Trascher, Vice-Chairman	\$1,200
Russell Lindsey, Treasurer	\$1,100
Eugene Swann, Jr., Secretary	\$1,000
Ryan Dreux, Board Member	\$400

(See Independent Auditors' Report)

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022

Jack Dockery, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary*	\$ 94,018
Benefits - insurance	6,630
Benefits - retirement**	<u>9,127</u>
 Total compensation, benefits and other payments	 <u><u>\$ 109,775</u></u>

* This amount is gross, including State Supplemental Pay of \$6,000 annually.

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



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

To the Board of Commissioners
St Tammany Parish Fire Protection District No. 11
Mandeville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of St. Tammany Parish Fire Protection District No. 11, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the St. Tammany Parish Fire Protection District No. 11's basic financial statements, and have issued our report thereon dated June 29, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Fire Protection District No. 11's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Tammany Parish Fire Protection District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Fire Protection District No. 11's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of St. Tammany Parish Fire Protection District No. 11's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Commissioners
St Tammany Parish Fire Protection District No. 11
June 29, 2023

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish Fire Protection District No. 11's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

June 29, 2023
Mandeville, Louisiana


Certified Public Accountants

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of St. Tammany Parish Fire Protection District No. 11.
2. No significant deficiencies or material weaknesses disclosed during the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of St. Tammany Parish Fire Protection District No. 11, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. A management letter was not issued for the year ended December 31, 2022.

SECTION II FINANCIAL STATEMENT FINDINGS

Not Applicable

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Not applicable.

SECTION II MANAGEMENT LETTER

Not applicable.

ST. TAMMANY PARISH FIRE
PROTECTION DISTRICT NO. 11
PEARL RIVER, LOUISIANA
AGREED-UPON PROCEDURES
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
St. Tammany Parish Fire Protection District No. 11
Pearl River, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The St. Tammany Parish Fire Protection District No. 11's management is responsible for those C/C areas identified in the SAUPs.

The St. Tammany Parish Fire Protection District No. 11 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1".

We were engaged by the St. Tammany Parish Fire Protection District No. 11 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 St. Tammany Parish Fire Protection District No. 11 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

June 29, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES
JANUARY 1, 2022 - DECEMBER 31, 2022

1) **WRITTEN POLICIES AND PROCEDURES**

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

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
- c) ***Disbursements***, including processing, reviewing, and approving.
- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) ***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).
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***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: No exceptions were found as a result of applying the procedure.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. 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.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

BOARD OR FINANCE COMMITTEE (CONTINUED)

Results: No exceptions were found as a result of applying the procedure.

BANK RECONCILIATIONS

3. **Procedures:** 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 five additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged).
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that 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 applying the procedure.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. **Procedure:** 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 five deposit sites (or all deposit sites if less than five).
5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

COLLECTIONS (CONTINUED)

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. **Procedure:** 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 enforced during the fiscal period.
7. **Procedures:** Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the ten deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

8. **Procedure:** 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 five).
9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was
- a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,
 - 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: No exceptions were found as a result of applying the procedures.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

12. **Procedures:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. **Procedures:** Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. **Procedures:** Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)
(CONTINUED)

Results: No exceptions were found as a result of applying the procedure.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

15. **Procedures:** 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) 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 policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the procedure.

CONTRACTS

16. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

CONTRACTS(CONTINUED)

- c) 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 was approval documented).
- d) Randomly select one payment from the fiscal period for each of the five 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 were found as a result of applying the procedure.

PAYROLL AND PERSONNEL

- 17. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18. **Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 19. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' accumulated leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

PAYROLL AND PERSONNEL (CONTINUED)

20. **Procedure:** 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 applying the procedures.

ETHICS

21. **Procedures:** Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the procedure.

DEBT SERVICE

22. **Procedure:** 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.

23. **Procedure:** 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 were found as a result of applying the procedures.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

FRAUD NOTICE

24. **Procedure**: 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 Organization attorney of the parish in which the entity is domiciled.
25. **Procedure**: 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 were found as a result of applying the procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

26. **Procedures**: Perform the following procedures:
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
 - d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. 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.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2022 – DECEMBER 31, 2022

SEXUAL HARASSMENT

26. **Procedures:** Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, 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.
27. **Procedure:** 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).
28. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

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