

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

**ANNUAL FINANCIAL STATEMENTS**

**COVINGTON, LOUISIANA**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

ST. TAMMANY PARISH FIRE PROTECTION  
DISTRICT NO. 13

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**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

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JAMES L. WHITE, C.P.A.

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinion**

In our opinion, the 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 St. Tammany Parish Fire Protection District No. 13 as of December 31, 2019 and 2018, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *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 3 through 8 and 34 through 38 be presented to supplement the basic financial statements. Such information, although not 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.

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated April 29, 2020, on our consideration of the St. Tammany Parish Fire Protection District No. 13's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Tammany Parish Fire Protection District No. 13's internal control over financial reporting and compliance.

*Bernard & Franks*

April 29, 2020

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

The Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board Statement No. 34. As management of St. Tammany Parish Fire Protection District No. 13's (the District), we offer the discussion and analysis of the District's financial performance, which provides an overview of the District's financial activities for the year ended December 31, 2019. The District is considered a component unit of St. Tammany Parish. The accompanying financial statements only present information on the funds maintained by the District.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

***Government-wide Financial Statements.*** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. There are two government-wide statements: the statement of net position and the statement of activities.

The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between them presented as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The District only has support from governmental activities. This support is principally taxes and intergovernmental revenues, which is indicated on both of the government-wide financial statements. The governmental activities of the District includes public safety.

The government-wide financial statements can be found on pages 9-11 of this report.

***Fund Financial Statements.*** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be categorized as governmental funds.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Currently, the District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The District adopts an annual legally appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 12–15 of this report.

*Notes to the Financial Statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-33 of this report.

## **FINANCIAL HIGHLIGHTS**

The financial statements included in this report provide insight into the financial status of the District for the year-end. Based upon the December 31, 2019 operations, the District's net position increased by \$171,404 and resulted in an ending net position of \$6,325,870.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

**Condensed Statements of Net Position**

	2019	2018	Change
Assets	\$ 5,299,985	\$ 5,470,821	\$ (170,836)
Capital assets, net of accumulated depreciation	3,860,902	3,404,899	456,003
Total assets	<u>\$ 9,160,887</u>	<u>\$ 8,875,720</u>	<u>\$ 285,167</u>
Deferred outflows of resources	<u>\$ 787,023</u>	<u>\$ 926,296</u>	<u>\$ (139,273)</u>
Total assets and deferred outflows of resources	<u>\$ 9,947,910</u>	<u>\$ 9,802,016</u>	<u>\$ 145,894</u>
Current liabilities	\$ 454,708	\$ 398,850	\$ 55,858
Non-current liabilities	1,726,964	1,971,056	(244,092)
Net pension liability	1,341,408	1,184,175	157,233
Deferred inflows of resources	98,960	93,469	5,491
Total liabilities	<u>\$ 3,622,040</u>	<u>\$ 3,647,550</u>	<u>\$ (25,510)</u>
NET POSITION			
Net investment in capital assets	\$ 1,889,845	\$ 1,194,021	\$ 695,824
Unrestricted	3,714,037	3,659,423	54,614
Restricted:			
Capital projects	721,988	1,301,022	(579,034)
TOTAL NET POSITION	<u>\$ 6,325,870</u>	<u>\$ 6,154,466</u>	<u>\$ 171,404</u>

**Condensed Statements of Activities**

	2019	2018	Change
Revenues			
Taxes and Intergovernmental	\$ 3,037,998	\$ 2,771,418	\$ 266,580
Other revenues	197,264	62,179	135,085
Total revenues	<u>\$ 3,235,262</u>	<u>\$ 2,833,597</u>	<u>\$ 401,665</u>
Expenses			
Public safety	\$ 2,978,331	\$ 2,834,677	\$ 143,654
Interest on long term debt	85,527	23,174	62,353
Total expenses	<u>\$ 3,063,858</u>	<u>\$ 2,857,851</u>	<u>\$ 206,007</u>
Changes in net position	\$ 171,404	\$ (24,254)	\$ 195,658
Fund balance, beginning of year	<u>6,154,466</u>	<u>6,178,720</u>	<u>(24,254)</u>
Fund balance, end of year	<u>\$ 6,325,870</u>	<u>\$ 6,154,466</u>	<u>\$ 171,404</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

Total expenditures in governmental activity was \$2,978,331 for the year ended December 31, 2019, which was \$171,404 more than the taxes, intergovernmental, and other miscellaneous earnings of \$3,235,262.

**USING THIS ANNUAL REPORT**

The basic financial statements include government-wide and governmental fund statements. The government-wide Statements of Net Position and Statements of Activities present information for the activities of the District office, which include an economic resources measurement focus using the accrual basis of accounting. Primarily, the difference between these statements and governmental fund statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the governmental fund statements and debt is reported as a liability and paid down as scheduled versus expensed in the governmental fund statements. The Balance Sheets - All Governmental Fund Types detail the assets and liabilities of the governmental funds, whereas the Reconciliations of Governmental Fund Balance Sheets - All Governmental Fund Types to the Statements of Net Position reflect the differences from the amounts reported in the Statements of Net Position. The Statements of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types reflect the current year receipts and disbursements of funds and the Reconciliations of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statements of Activities report the differences in the changes in fund balances to the changes in net position of the governmental activities.

The differences between the adopted budget and the actual activities are reflected in the Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Budgetary Basis) – General Fund.

The District's independent auditor attests in their report that the basic financial statements are fairly stated. The auditor is providing varying degrees of assurance regarding the required supplementary information, the levels of which are illustrated in the auditor's report.

**THE STATEMENTS OF NET POSITION AND THE STATEMENTS OF ACTIVITIES**

Our analysis of the District as a whole begins below. The Statements of Net Position and the Statements of Activities report information about the funds maintained by the District as a whole. These statements include all assets and liabilities using accrual basis of accounting.

These two statements report the District's net position and changes in net position. The difference between the assets and the liabilities, or net position, measures the District's financial position. Increases or decreases in the District's net position are one indicator of whether its financial performance is improving or deteriorating.

The District records the funds maintained by the District as governmental activities in the Statement of Net Position and Statement of Activities.



ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

Expenses paid from the funds maintained by the District are reported as governmental activities and consist of payroll and the related payroll taxes and benefits, insurance on the buildings and vehicles, operating supplies, repairs to the building and vehicles, professional fees, communication expenses, training, utilities and depreciation. Ad valorem taxes, fire insurance tax, revenue sharing from the State and interest income provide the finances for the activities of the District.

As with other sections of this financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of these financial statements should take the time to read and evaluate all sections of this report, including the footnotes and the other Required Supplementary Information that is provided in addition to this MD&A.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve as a useful indicator of the District's financial position. The District's total net position increased from \$6,154,466 to \$6,325,870 due primarily to the District's increase in ad valorem taxes during the year ended December 31, 2019. As of December 31, 2019 and 2018, the District had \$2,475,419 and \$3,004,514 in cash and cash equivalents, respectively. The District had \$2,787,553 and \$2,410,978 in funds receivable from property taxes and net capital assets of \$3,709,264 and \$3,253,261, respectively, as of December 31, 2019 and 2018. Total assets for the period increased from \$9,802,016 as of December 31, 2018 to \$9,947,910 as of December 31, 2019. The District had \$1,971,057 and 2,210,878 in bonds payable outstanding as of December 31, 2019 and 2018, respectively. Total revenue for the District for 2019 and 2018 was \$3,235,262 and \$2,833,597, respectively. The District experienced an increase in overall revenue.

The District's expenses, excluding depreciation expense, was \$3,063,858 and \$2,857,851 for the years ended December 31, 2019 and 2018, respectively.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund's budgetary information is reported in the budgetary comparison schedule on page 34. There were no significant unfavorable variances in the budget when compared to actual amounts.

**DEBT**

For the year ended December 31, 2019, the District had \$1,971,057 in outstanding indebtedness. See the notes to the financial statements for more information on the District's debt.

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

### MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District considered many factors including the goals set in the current strategic plan when setting the operating budget for the year ended December 31, 2020. The 2020 Operating budget represents an increase of \$246,156 or 7.96% over 2019. As is the case for all professional fire service organizations and recognizing that personnel has the greatest impact on the mission and purpose, payroll expense is prioritized when budgeting and therefore it makes up the largest portion of the operating budget. With the growth the community and the continued need to transition to an adequately staffed and structured department the following positions have been budgeted: Create three full-time District Fire Chiefs, back-fill three Fire Captains, back-fill three Fire Equipment Operators and hire three new firefighters at a cost of \$160,000. A 2% adjustment in salaries for all full-time and part-time employees effective January 1, 2020, funds to create a safety, wellness and attendance incentive and a \$4,000 increase for the part-time Network Administrator adds an additional \$31,000. The part-time Chief of Administration position and salary is being reduced by 50% and will be eliminated effective January 1<sup>st</sup>, 2021. Included in 2020's budget is operating costs to staff and operate the new Station 134 should it be completed before the end of the year. Once the station is complete, three additional Captains will be promoted for an estimated cost of \$20,000 dollars annually. Best case scenario we project a 4<sup>th</sup> quarter completion and have budgeted for related expenses should that occur. The District has also set aside monies to fund needed capital projects; the capital budget funds are primarily earmarked for the following projects: Station 132 remodel & expansion or possible construction of a new station at a donated site, Station 134 constructed on donated property located near Hwy. 1085 & Diversified Blvd and furnishings and fixtures for the new stations

The savings from unspent capital budgets over the last five years, budget savings, along with revenue bonds of approximately 1.3 million dollars, has provided an estimated total of 2 million dollars in capital funding. Some of the restricted funds have been spent on new fire apparatus in 2019 which gives the district a few years before the next apparatus is slated to be purchased based on the apparatus replacement schedule. The focus of the capital funds will be to add Station 134 resulting in response relief to Station 132's existing coverage area. Over 70% of the Fire District's responses come from Station 132 currently and those calls need to be redistributed. Once Station 134 is completed the remaining funds will be used to remodel and expand the existing Station 132, located at Hwy. 1085 and Francis Road or build a new station on donated land in the immediate area. All options are being explored and talks with developers are ongoing to reduce cost or eliminate the expense of construction all together through a private/public partnership agreement. Looking to the near future the fire district will need to add a second Ladder company in the Station 134 area and recognize that one truck with equipment will approach \$1,000,000 not including the personnel to staff it, or the additional operating costs. The fire district recognizes the need for budget planning, restricted reserve funds and strategic planning in preparation of the many future needs. Overall, the fire district is on track to financially meet the short and long-range goals based off the district's strategic plan.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lonnie Johnson, Fire Chief, at the District's office 13053 Highway 190, Covington, LA 70433.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

STATEMENTS OF NET POSITION  
DECEMBER 31, 2019 AND 2018

	Governmental Activities	
	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,753,431	\$ 1,703,492
Restricted cash for capital projects	721,988	1,301,022
Due from other government units	2,787,553	2,410,978
Other receivables	6,000	6,000
Prepaid expenses	31,013	49,329
Capital assets		
Land, non-depreciable	151,638	151,638
Depreciable, net of accumulated depreciation	3,709,264	3,253,261
<b>TOTAL ASSETS</b>	<b>\$ 9,160,887</b>	<b>\$ 8,875,720</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 787,023</b>	<b>\$ 926,296</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenditures	\$ 210,615	\$ 159,028
Net pension liability	1,341,408	1,184,175
Debt:		
Due within one year	244,093	239,822
Due in more than one year	1,726,964	1,971,056
<b>TOTAL LIABILITIES</b>	<b>\$ 3,523,080</b>	<b>\$ 3,554,081</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 98,960</b>	<b>\$ 93,469</b>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 1,889,845	\$ 1,194,021
Unrestricted	3,714,037	3,659,423
Restricted:		
Capital projects	721,988	1,301,022
<b>TOTAL NET POSITION</b>	<b>\$ 6,325,870</b>	<b>\$ 6,154,466</b>

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities:			
Public safety	\$ 2,978,331	\$ -	\$ (2,978,331)
Interest on noncurrent debt	85,527	-	(85,527)
Total governmental activities	<u>\$ 3,063,858</u>	<u>\$ -</u>	<u>\$ (3,063,858)</u>
General revenues:			
Taxes:			
Ad valorem tax			\$ 2,973,646
Intergovernmental:			
Fire insurance tax			21,725
State revenue sharing			42,627
Interest			73,830
Other			123,434
Total general revenues			<u>\$ 3,235,262</u>
Change in net position			171,404
Net position- beginning of year			<u>6,154,466</u>
Net position-end of year			<u>\$ 6,325,870</u>

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses (Restated)	<u>Program Revenue</u> Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position (Restated)
Governmental activities:			
Public safety	\$ 2,834,677	\$ -	\$ (2,834,677)
Interest on noncurrent debt	23,174	-	(23,174)
Total governmental activities	<u>\$ 2,857,851</u>	<u>\$ -</u>	<u>\$ (2,857,851)</u>
General revenues:			
Taxes:			
Ad valorem tax			\$ 2,708,149
Intergovernmental:			
Fire insurance tax			21,458
State revenue sharing			41,811
Interest			21,000
Other			41,179
Total general revenues			<u>\$ 2,833,597</u>
Change in net position			(24,254)
Net position- beginning of year			<u>6,178,720</u>
Net position-end of year			<u>\$ 6,154,466</u>

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

(With Comparative Totals as of December 31, 2018)

	General	Total Governmental Funds	
		2019	2018
<b>ASSETS</b>			
Cash	\$ 1,753,431	\$ 1,753,431	\$ 1,703,492
Restricted Cash	721,988	721,988	1,301,022
Due from other government units	2,787,553	2,787,553	2,410,978
Other receivables	6,000	6,000	6,000
Prepaid expenses	31,013	31,013	49,329
<b>TOTAL ASSETS</b>	<b>\$ 5,299,985</b>	<b>\$ 5,299,985</b>	<b>\$ 5,470,821</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenditures	\$ 210,615	\$ 210,615	\$ 159,028
<b>TOTAL LIABILITIES</b>	<b>\$ 210,615</b>	<b>\$ 210,615</b>	<b>\$ 159,028</b>
<b>FUND BALANCE</b>			
Unassigned	\$ 5,089,370	\$ 5,089,370	\$ 5,311,793
<b>TOTAL FUND BALANCE</b>	<b>\$ 5,089,370</b>	<b>\$ 5,089,370</b>	<b>\$ 5,311,793</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 5,299,985</b>	<b>\$ 5,299,985</b>	<b>\$ 5,470,821</b>

See independent auditors' report and accompanying notes to financial statements.

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

**RECONCILIATIONS OF THE GOVERNMENTAL FUND  
BALANCE SHEETS TO THE STATEMENTS OF NET POSITION**

**DECEMBER 31, 2019 AND 2018**

	2019	2018
Fund Balances - Total governmental funds	\$ 5,089,370	\$ 5,311,793
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.		
Governmental capital assets	\$ 6,693,662	\$ 5,944,353
Less accumulated depreciation	(2,832,760)	(2,539,454)
	\$ 3,860,902	\$ 3,404,899
Debt used in governmental activities are not financial uses and, therefore, are not reported in the funds.		
Debt related to capital assets consist of:		
Certificates of indebtedness	\$ (1,255,000)	\$ (1,365,000)
Lease/Purchase financing	(716,057)	(845,878)
	\$ (1,971,057)	\$ (2,210,878)
Net pension liability	\$ (1,341,408)	\$ (1,184,175)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not related in the funds.		
Deferred outflows of resources	\$ 787,023	\$ 926,296
Deferred inflows of resources	(98,960)	(93,469)
	\$ 688,063	\$ 832,827
Net Position of Governmental Activities	\$ 6,325,870	\$ 6,154,466

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE-GOVERNMENTAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (With Comparative totals for the year ended December 31, 2018)

	General Fund	
	2019	2018
REVENUES:		
Ad valorem taxes	\$ 2,973,646	\$ 2,708,149
Intergovernmental:		
Fire insurance tax	21,725	21,458
State revenue sharing	42,627	41,811
Grant	10,000	10,000
Insurance reimbursements	82,612	31,179
Interest	69,248	15,629
Property tax interest	4,582	5,371
Miscellaneous	30,822	-
Total revenues	<u>\$ 3,235,262</u>	<u>\$ 2,833,597</u>
EXPENDITURES:		
Public safety:		
Personnel	\$ 1,729,662	\$ 1,693,131
Insurance	161,457	187,693
Operating supplies	170,050	140,709
Information technology	47,515	13,245
Training and morale	49,977	45,239
Repairs and maintenance	103,974	110,089
Professional fees	55,111	47,861
Utilities	39,857	37,696
Administration	25,424	34,725
Debt service:		
Principal	239,822	125,687
Interest and fiscal charges	85,527	23,174
Bond issuance costs	-	63,978
Capital outlay	749,309	149,363
Total expenditures	<u>\$ 3,457,685</u>	<u>\$ 2,672,590</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ (222,423)</u>	<u>\$ 161,007</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from bond issued	\$ -	\$ 1,365,000
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 1,365,000</u>
Net Change in Fund Balance	\$ (222,423)	\$ 1,526,007
FUND BALANCE-Beginning of year	\$ 5,311,793	\$ 3,785,786
FUND BALANCE- End of year	<u>\$ 5,089,370</u>	<u>\$ 5,311,793</u>

See independent auditors' report and accompanying notes to financial statements.



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

**RECONCILIATIONS OF THE STATEMENTS OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Net Change in Fund Balances - Total governmental funds	\$ (222,423)	\$ 1,526,007
<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.</p>		
Capital outlay	749,309	149,363
Depreciation expense	(293,307)	(301,652)
<p>The issuance of long-term debt 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.</p>		
	-	(1,365,000)
<p>Difference between actuarial computation of pension expense and actual contribution to the pension fund</p>		
	(301,997)	(158,659)
<p>Repayment of capital principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Principal payments	<u>239,822</u>	<u>125,687</u>
Change in Net Assets of Governmental Activities	<u>\$ 171,404</u>	<u>\$ (24,254)</u>

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES

The St. Tammany Parish Fire Protection District No. 13 (the District) was established in 1988 under Ordinance Police Jury Series No. 88-949. The Fire District was established for the purpose of providing fire protection to a designated geographical area in St. Tammany Parish. The Fire District maintains three fire stations.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of St. Tammany Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the Comprehensive Annual Financial Report (CAFR) of the Parish for the year ended December 31, 2019.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements:

The government-wide financial statements consist of a statement of net position and a statement of activities to report information about the District as a whole. The statement of net position reports all financial and capital resources. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues. Gains on the sale of capital assets are reported as general revenues, losses on the sale of capital assets are reported as function/program expenses. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements:

Financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The District maintains the one governmental fund. The District does not have any fiduciary or proprietary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category and
2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The District has the following major governmental fund:

General Fund—the principal operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund.

Management's Discussion and Analysis

The Governmental Accounting Standards Board requires a Management's Discussion and Analysis (MD&A) section provides an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the District's activities.

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting

Government-wide Financial Statements:

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. Ad valorem 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.

In accordance with GASB Statement No. 34, as amended by GASB Statement No. 63, net position is classified into three components: net investment in capital assets, restricted, and unrestricted.

These classifications are defined as follows:

1. Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any restricted capital 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 improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
2. Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted - All other net position is reported in this category.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements:

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recognized as revenue in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

e) Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that are reported as deferred inflows or outflows of resources: deferred inflows/outflows of resources related to pensions and unavailable revenue. Unavailable revenue arises only under a modified accrual basis of accounting, so it is reported only in the governmental funds balance sheet.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)

f) Due from other governmental units

The financial statements for the District contains an allowance for uncollectible accounts. The allowance for uncollectible amounts for the years ended December 31, 2019 and 2018 was \$88,783 and \$82,735, respectively. The uncollectible amounts represent 3% of the total ad valorem tax receivable and the estimate is based on the District's history of collections within this revenue stream.

g) Cash

Cash included amounts in interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or banks having their principal offices in Louisiana.

h) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Machinery and equipment	5-10 years
Vehicles	5-10 years

Fund Financial Statements:

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

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)

i) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items

j) Long-Term Debt

In the government-wide financial statements and fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, fund net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of certificates of indebtedness.

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 payments of principle and interest reported as expenditures.

k) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a cash basis and is included in the budget presentation in the basic financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 1. GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)

l) Annual and Sick Leave

The District's policies are congruent with Louisiana statutes RS 33:1995 for sick leave and RS 33:1996 for annual leave. The policy relating to sick leave states that every full time employee shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of not less than fifty-two weeks. The annual leave policy states that each full-time employee who has served at least one year shall be entitled to an annual vacation of eighteen days with full pay. This vacation period shall be increased one day for each year of service over ten years, up to a maximum vacation period of thirty days, all of which shall be with full pay. The accrued annual leave for the years ended December 31, 2019 and 2018 was \$72,278 and \$60,615, respectively.

m) Pensions

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 System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

NOTE 2. DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

Bank Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

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



ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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 and uncollateralized.

The year end balances of deposits are as follows:

	<u>Bank Balances Category</u>			<u>Book</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>
December 31, 2019	<u>\$250,000</u>	<u>\$2,225,419</u>	<u>\$ ---</u>	<u>\$2,475,419</u>
December 31, 2018	<u>\$250,000</u>	<u>\$2,754,514</u>	<u>\$ ---</u>	<u>\$3,004,514</u>

For the years ended December 31, 2019 and 2018, the District held cash (bank balance) of \$2,475,419 and \$3,004,514 in interest bearing demand deposits, respectively. These deposits were secured from risk of FDIC insurance and pledges of security by the fiscal agent bank.

Certain debt proceeds of the District have been set aside for the purchase of capital assets and are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and they are maintained in a separate bank account. The District had restricted cash of \$721,988 and \$1,301,022 for the years ended December 31, 2019 and 2018, respectively.

NOTE 3. PROPERTY TAXES

Property taxes are levied each November 1<sup>st</sup> on the assessed value listed as of prior January 1<sup>st</sup> for all real property, merchandise and movable property located in 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 31<sup>st</sup> with interest being charged on payments after January 1<sup>st</sup>. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amounts of the taxes. The tax rate for the years ended December 31, 2019 and 2018 was 29.00 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.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 4. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2019 and 2018 consisted of the following:

St. Tammany Parish Tax Collector	2019	2018
Collections remitted to the District:		
Ad valorem taxes	\$ 2,759,135	\$ 2,383,104
State revenue sharing	28,418	27,874
	<u>\$ 2,787,553</u>	<u>\$ 2,410,978</u>
St. Tammany Parish Development-District		
State of Louisiana reimbursements	\$ 6,000	\$ 6,000
Total	<u>\$ 2,793,553</u>	<u>\$ 2,416,978</u>

NOTE 5. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Additions	Dispositions/ Adjustments	Balance December 31, 2019
Capital assets not being depreciated:				
Land	\$ 151,638	\$ -	\$ -	\$ 151,638
Capital assets being depreciated				
Buildings	\$ 1,894,165	\$ 50,029	\$ -	\$ 1,944,194
Machinery and equipment	1,050,201	64,318	-	1,114,519
Vehicles	2,848,349	634,962	-	3,483,311
Total capital assets being depreciated	<u>\$ 5,792,715</u>	<u>\$ 749,309</u>	<u>\$ -</u>	<u>\$ 6,542,024</u>
Less accumulated depreciation for:				
Buildings	\$ (387,975)	\$ (36,202)	\$ -	\$ (424,177)
Machinery and equipment	(685,126)	(21,055)	-	(706,181)
Vehicles	(1,466,352)	(236,050)	-	(1,702,402)
Total accumulated depreciation	<u>\$ (2,539,453)</u>	<u>\$ (293,307)</u>	<u>\$ -</u>	<u>\$ (2,832,760)</u>
Total capital assets being depreciated, net	<u>3,253,262</u>	<u>456,002</u>	<u>-</u>	<u>3,709,264</u>
Total capital assets, net	<u>\$ 3,404,900</u>	<u>\$ 456,002</u>	<u>\$ -</u>	<u>\$ 3,860,902</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 5. CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Dispositions/ Adjustments	Balance December 31, 2018
Capital assets not being depreciated:				
Land	\$ 151,638	\$ -	\$ -	\$ 151,638
Capital assets being depreciated				
Buildings	\$ 1,830,754	\$ 63,411	\$ -	\$ 1,894,165
Machinery and equipment	1,002,291	47,910	-	1,050,201
Vehicles	2,810,308	38,041	-	2,848,349
Total capital assets being depreciated	\$ 5,643,382	\$ 149,362	\$ -	\$ 5,792,744
Less accumulated depreciation for:				
Buildings	\$ (351,415)	\$ (36,561)	\$ -	\$ (387,976)
Machinery and equipment	(631,817)	(53,309)	-	(685,126)
Vehicles	(1,254,570)	(211,782)	-	(1,466,352)
Total accumulated depreciation	\$ (2,237,802)	\$ (301,652)	\$ -	\$ (2,539,454)
Total capital assets being depreciated, net	3,405,551	(152,290)	-	3,253,261
Total capital assets, net	\$ 3,557,189	\$ (152,290)	\$ -	\$ 3,404,899

Depreciation expense for the years ended December 31, 2019 and 2018 was \$293,307 and \$301,652, respectively.

NOTE 6. ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures for December 31, 2019 and 2018 consisted of the following:

	2019	2018
Vendors	\$ 37,420	\$ 19,093
Accrued payroll and liabilities	72,278	76,903
Annual leave liability	73,913	60,615
Retirement liability	8,376	2,417
Interest payable	18,628	-
	\$ 210,615	\$ 159,028

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 7. LONG-TERM DEBT

On September 23, 2014, the Fire District entered into a lease purchasing agreement for two fire trucks and related equipment with a Tax Exempt Leasing Corporation in the amount of \$1,325,111 at an annual interest rate of 3%. The payments are due annually over the next ten years.

The debt service for the secured financing lease for the year ended December 31, 2019 is as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>
2020	134,093	23,558
2021	138,505	19,147
2022	143,061	14,590
2023	147,768	9,883
2024	152,630	5,022
	<u>\$ 716,057</u>	<u>\$ 72,200</u>

On December 12, 2018 the Fire District issued Certificates of Indebtedness series 2018 in the amount of \$1,365,000 for the capital improvements project of Station 132, the construction of Station 134, and other various fire trucks and equipment purchases. The certificates require interest payment at the rate of 3.3% per annum payable on March 1 and November 1 of each year.

The debt service for the secured financing lease for the year ended December 31, 2019 is as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>
2020	110,000	39,048
2021	110,000	35,469
2022	115,000	31,808
2023	120,000	27,984
2024-2029	800,000	80,536
	<u>\$ 1,255,000</u>	<u>\$ 214,845</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 7. LONG-TERM DEBT (continued)

Changes in long-term debt for governmental activities for certificates of indebtedness and lease financing are as follows:

	2019	2018
Balance at January 1st	\$ 2,210,879	\$ 971,566
Additions	-	1,365,000
Payments	(239,822)	(125,687)
Balance at December 31st	<u>\$ 1,971,057</u>	<u>\$ 2,210,879</u>

NOTE 8. RETIREMENT PLANS

Louisiana Firefighters' Retirement System

Plan Description

The Firefighters' Retirement System (the System) was created January 1, 1980 under the provisions of Louisiana Revised Statutes 11:2251-11:2272 and is a tax qualified plan as determined by the Internal Revenue Service. Membership in the System is a condition of employment for full time firefighters who earn at least \$375 per month. The System is a cost-sharing, multiple-employer, defined benefit plan and provides retirement, disability and death benefits for its members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement dates.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 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.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980, shall become a member as a condition of employment.

Retirement Benefits

Employees with 20 years or more of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of the average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 8. RETIREMENT PLANS (Continued)

If employees terminate before completing 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributed to their employer's contributions.

Benefits are payable over the retirees' lives in the form of a monthly annuity. A member may elect an unreduced benefit or any of seven options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

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 his 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.

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

## NOTE 8. RETIREMENT PLANS (Continued)

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 (IDO) 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 IDO account earning interest at the same rate as a DROP account.

Contributions

Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes.

According to state statute, employer contributions are actuarially-determined each year. For the year ended June 30, 2019, employer and employee contribution rates for members above the poverty line were 26.50% and 10.00%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.50% and 8.00%, respectively.

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

At December 31, 2019 and 2018, the District reported a liability of \$1,341,408 and \$1,184,175 for its proportionate share of the net pension liability, respectively. The net pension liability was measured as of June 30, 2019 and 2018, and was determined by an actuarial valuation as of those dates. 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 participating entities, actuarially determined. At June 30, 2019, the District's proportion was .214217%.

For the years ended December 31, 2019 and 2018, the District recognized pension expense of \$371,758 and \$356,693, respectively. At December 31, 2019 and 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows		Deferred inflows	
	2019	2018	2019	2018
Differences between expected and actual experience	\$ -	\$ -	\$ 96,761	\$ 90,129
Contributions after the measurement date	-	76,196	-	-
Changes of assumptions	122,035	82,608	98	188
Net difference between projected and actual investment earnings on pension plan investments	90,206	77,001	-	-
Changes in proportion	574,782	690,491	2,101	3,152
Total	<u>\$ 787,023</u>	<u>\$ 926,296</u>	<u>\$ 98,960</u>	<u>\$ 93,469</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 8. RETIREMENT PLANS (Continued)

Other amounts reported as a deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2020	\$ 209,173
2021	111,304
2022	151,952
2023	129,115
2024	75,488
Thereafter	11,031
Total	<u>\$ 688,063</u>

Actuarial Assumptions

The District's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Investment rate of return	7.15% per annum (decreased from 7.30% in 2018)
Expected Remaining Service Lives	7 years, closed period
Inflation Rate	2.50% per annum (decreased from 2.70% in 2018)
Salary increases	Vary from 14.75% in the first two years of service to 4.50% with 25 or more years of service; includes inflation and merit increases
Cost-of-Living Adjustments	Only those previously granted

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

The estimated long-term expected rate of return on pension plan investments was determined listing a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The long term expected real rates of return was 7.94% and 8.09% as of June 30, 2019 and 2018, respectively.



ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 8. RETIREMENT PLANS (Continued)

Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 is summarized in the following table:

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	21.50%	5.98%
	Non-U.S. Equity	17.50%	7.52%
	Global Equity	10.00%	6.59%
Fixed Income	Fixed Income	31.00%	2.17%
Alternatives	Real Estate	6.00%	4.14%
	Private Equity	4.00%	10.52%
Multi-Asset Strategies	Global Tactical Asset Allocation	5.00%	4.37%
	Risk Party	5.00%	4.67%
		<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.15 and 7.30 percent at June 30, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer entities will be made at the actuarially determined rates. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	<u>Discount rate</u>	<u>District's proportionate share of net pension liability</u>
1% decrease	6.15%	\$ 1,942,449
Current discount rate	7.15%	\$ 1,341,408
1% increase	8.15%	\$ 836,939

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

NOTE 8. RETIREMENT PLANS (Continued)

Plan Fiduciary Net Position

Detailed information about the System's fiduciary net position is available in the separately issued Firefighter's Retirement System financial report and can be obtained as stated above.

Section 457 Plan

The Fire District offers the Louisiana Public Employees Deferred Compensation Plan in lieu of the Firefighters Retirement System. It is a nonqualified deferred compensation plan under section Internal Revenue Code section 457. The maximum contribution amount is 100% of compensation or \$19,000, whichever is less. Participants turning age 50 or older may contribute an additional \$6,000. For the years ended December 31, 2019 and 2018, the District had two employees in the Plan and matched dollar for dollar up to 20% of the employee's salary or \$17,750 to the deferred compensation plan.

NOTE 9. SUBSEQUENT EVENTS -CORONAVIRUS PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Company's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the taxpayers' ability to pay the taxes. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters; for which the District carries commercial insurance. The premiums for group insurance are based on a fixed rate per employee. There was no litigation pending against the District as of December 31, 2019.

NOTE 11. COMPENSATION OF BOARD MEMBERS

Board members were paid \$100 per meeting and \$50 for committee meetings. For the years ended December 31, 2019 and 2018, \$5,300 and \$6,550 was paid to the board members for their services, respectively.

SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Amended Budget		
REVENUES				
Taxes	\$ 2,670,000	\$ 2,670,000	\$ 2,597,615	\$ (72,385)
Intergovernmental:				
State of Louisiana:				
State revenue sharing	13,500	13,500	42,083	28,583
Fire insurance tax	23,000	23,000	21,725	(1,275)
Bank interest	45,000	45,000	69,247	24,247
Property tax interest	5,000	5,000	4,582	(418)
Grant	10,000	10,000	10,000	-
Insurance reimbursements	-	22,359	82,612	60,253
Miscellaneous	3,000	10,210	30,822	20,612
Total revenues	<u>\$ 2,769,500</u>	<u>\$ 2,799,069</u>	<u>\$ 2,858,686</u>	<u>\$ 59,617</u>
EXPENDITURES				
Current:				
Public safety:				
Personnel	\$ 1,577,200	\$ 1,752,200	\$ 1,715,432	\$ 36,768
Insurance	212,366	155,366	158,610	(3,244)
Operating supplies	156,400	156,400	217,040	(60,640)
Information technology	31,500	34,500	38,062	(3,562)
Training and morale	51,000	41,000	43,561	(2,561)
Repairs and maintenance	87,500	87,500	108,650	(21,150)
Professional fees	62,000	62,000	55,111	6,889
Utilities	38,350	38,350	39,857	(1,507)
Administration	41,400	38,400	29,127	9,273
Total public safety	<u>\$ 2,257,716</u>	<u>\$ 2,365,716</u>	<u>\$ 2,405,450</u>	<u>\$ (39,734)</u>
Debt service:				
Principal retirement	\$ 242,600	\$ 242,600	\$ 239,822	\$ 2,778
Interest and fiscal charges	65,400	65,400	87,317	(21,917)
Total debt service	<u>\$ 308,000</u>	<u>\$ 308,000</u>	<u>\$ 327,139</u>	<u>\$ (19,139)</u>
Capital outlay	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>	<u>\$ 711,671</u>	<u>\$ 538,329</u>
Total expenditures	<u>\$ 3,815,716</u>	<u>\$ 3,923,716</u>	<u>\$ 3,444,260</u>	<u>\$ 479,456</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ (1,046,216)</u>	<u>\$ (1,124,647)</u>	<u>\$ (585,574)</u>	<u>\$ 539,073</u>
FUND BALANCES				
Beginning of year	<u>\$ 3,785,786</u>	<u>\$ 3,785,786</u>	<u>\$ 3,785,786</u>	
End of year	<u>\$ 2,739,570</u>	<u>\$ 2,661,139</u>	<u>\$ 3,200,212</u>	

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13  
 SCHEDULE OF PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 FOR THE YEAR ENDED DECEMBER 31, 2019\*

Louisiana Firefighters' Retirement System

District's Proportion of the Net Pension Liability		0.21%
District's Proportionate Share of the Net Pension Liability	\$	1,341,408
District's Covered Employee Payroll	\$	679,547
District's Proportionate Share of the Net Liability as a Percentage of its Covered-Employee Payroll		197.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		35.20%

\*The amounts presented (except Districts covered-Employee Payroll) are from the Firefighters' Retirement System for the fiscal year ended June 30, 2019.

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13  
 SCHEDULE OF CONTRIBUTIONS – RETIREMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Louisiana Firefighters' Retirement System</u>	
Contractually Required Contribution	\$ 137,540
Contributions in Relation to the Contractually Required Contribution	(137,540)
Contribution Deficiency (Excess)	\$ -
Authority's covered-employee payroll	\$ 679,547
Contributions as a Percentage of Covered-Employee Payroll	20.24%

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13  
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Board Member</u>	<u>Amount</u>
George Osbourn-Chairman	\$ 1,100
Tony Devillier-Commissioner	900
Mark Cortez-Commissioner	1,200
Jorge Fernandez-Commissioner	1,200
Norman Voelkel-Commissioner	900
	<u>\$ 5,300</u>

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head Name: Lonnie Johnson

Salary	\$ 84,469
Retirement benefit	<u>11,250</u>
	<u>\$ 95,719</u>

See independent auditors' report and accompanying notes to financial statements.



REPORT BY AUDITOR



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

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

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 St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana, as of December 31, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2020.

**Internal Control over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of 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 St. Tammany Parish Fire Protection District No. 13, a component unit of St. Tammany Parish Consolidated Government, State of Louisiana'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.

A handwritten signature in black ink that reads "Bernard & Franks". The signature is written in a cursive, flowing style.

Metairie, Louisiana  
April 29, 2020

ST. TAMMANY FIRE PROTECTION DISTRICT NO. 13  
SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2019

**Part I — Summary of Auditor's Results**

Financial Statement Section	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weakness?	No
Noncompliance material to financial statement noted?	No
Management letter issued?	No

**Part II — Financial Statement Findings**

There were no findings for the year ended December 31, 2019.

## REPORTS BY MANAGEMENT

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 13  
SCHEDULE OF PRIOR YEAR'S FINDINGS

DECEMBER 31, 2019

PRIOR YEAR'S FINDINGS

**Part II —Financial Statement Findings**

There were no prior year's findings applicable to the St. Tammany Parish Fire Protection District No. 13.

**LOUISIANA COMPLIANCE QUESTIONNAIRE**  
**(For Audit Engagements of Government Agencies)**

\_\_\_\_\_ (Date Transmitted)

\_\_\_\_\_ (Bernard & Franks, A  
Corporation of CPA's \_\_\_\_\_ (CPA Firm Name)  
4141 Veterans Blvd., Suite 313 \_\_\_\_\_ (CPA Firm Address)  
Metairie, LA 70002 \_\_\_\_\_ (City, State Zip)

In connection with your audit of our financial statements as of December 31, 2019 and for the year ended (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of \_\_\_\_\_ (date completed/date of the representations).

**PART I. AGENCY PROFILE**

1. Name and address of the organization.

St. Tammany Fire District No. 13  
13053 Hwy 190  
Covington, LA 70433

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information.

3. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

4. Period of time covered by this questionnaire.

2019

5. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

6. Briefly describe the public services provided.

Fire Protection District

7. Expiration date of current elected/appointed officials' terms.

### LEGAL COMPLIANCE

#### **PART II. PUBLIC BID LAW**

8. The provisions of the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

A) All public works purchases exceeding \$157,700 have been publicly bid.

B) All material and supply purchases exceeding \$30,000 have been publicly bid.

Yes [ X ] No [ ]

#### **PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

9. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [ x ] No [ ]

10. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [ X ] No [ ]

#### **PART IV. LAWS AFFECTING BUDGETING**

11. We have complied with the budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15) R.S. 39:33, or R.S. 39:1331-1342, as applicable:

##### A. Local Budget Act

1. We have adopted a budget for the general fund and all special revenue funds (R.S. 39:1305).

2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the general fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (R.S. 39:1305).

3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (R.S. 39:1306).

4. To the extent that proposed expenditures were greater than \$500,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (R.S. 39:1307).

5. If required, the proposed budget was made available for public inspection at the location required by R.S. 39:1308.

6. All action necessary to adopt and finalize the budget was completed prior to the date required by state law. The adopted budget contained the same information as that required for the proposed budget (R.S. 39:1309).

7. After adoption, a certified copy of the budget has been retained by the chief executive officer or



equivalent officer (R.S. 39:1309).

8. To the extent that proposed expenditures were greater than \$500,000, the chief executive officer or equivalent notified the governing authority in writing during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (R.S. 39:1311).

9. The governing authority has amended its budget when notified, as provided by R.S. 39:1311. (Note, general and special revenue fund budgets should be amended, regardless of the amount of expenditures in the fund, when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more; or when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by five percent or more. State law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$500,000 or less, and exempts special revenue funds whose revenues are expenditure-driven - primarily federal funds-from the requirement to amend revenues.)

Yes [ X ] No [ ]

**B. State Budget Requirements**

1. The state agency has complied with the budgetary requirements of R.S. 39:33.

Yes [ X ] No [ ]

**C. Licensing Boards**

1. The licensing board has complied with the budgetary requirements of R.S. 39:1331-1342.

Yes [ X ] No [ ]

**PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS**

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with R.S. 24:513 and 515, and/or 33:463.

Yes [ X ] No [ ]

13. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [ X ] No [ ]

14. We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [ X ] No [ ]

15. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes [ X ] No [ ]

16. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [ X ] No [ ]

17. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [ X ] No [ ]

18. We have remitted all fees, fines, and court costs collected on behalf of other entities, in compliance with applicable Louisiana Revised Statutes or other laws.

Yes [ X ] No [ ]

**PART VI. MEETINGS**

19. We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:11 through 42:28.

Yes  No

**PART VII. ASSET MANAGEMENT LAWS**

20. We have maintained records of our fixed assets and movable property records, as required by R.S. 24:515 and/or 39:321-332, as applicable.

Yes  No

**PART VIII. FISCAL AGENCY AND CASH MANAGEMENT LAWS**

21. We have complied with the fiscal agency and cash management requirements of R.S. 39:1211-45 and 49:301-327, as applicable.

Yes  No

**PART IX. DEBT RESTRICTION LAWS**

22. It is true we have not incurred any long-term indebtedness without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No

23. We have complied with the debt limitation requirements of state law (R.S. 39:562).

Yes  No

24. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (R.S. 39:1410.62).

Yes  No

**PART X. REVENUE AND EXPENDITURE RESTRICTION LAWS**

25. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes  No

26. It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No

27. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Yes  No

**PART XI. ISSUERS OF MUNICIPAL SECURITIES**

28. It is true that we have complied with the requirements of R.S. 39:1438.C.

Yes  No

**PART XI. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS**

Parish Governments

29. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, R.S. 48:755(A).
- B. Development of a capital improvement program on a selective basis, R.S. 48:755.
- C. Centralized purchasing of equipment and supplies, R.S. 48:755.
- D. Centralized accounting, R.S. 48:755.
- E. A construction program based on engineering plans and inspections, R.S. 48:755.
- F. Selective maintenance program, R.S. 48:755.
- G. Annual certification of compliance to the auditor, R.S. 48:758.

Yes  No

School Boards

30. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, R.S. 17:51-400.

Yes [ ] No [ ]

31. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.

Yes [ ] No [ ]

32. We have, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules and recognize that your agreed-upon procedures will be applied to such schedules and performance measurement data:

Parish school boards are required to report, as part of their annual financial statements, measures of performance. These performance indicators are found in the supplemental schedules:

- Schedule 1, General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
- Schedule 2, Class Size Characteristics

We have also, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules, and recognize that although the schedules will not be included in the agreed-upon procedures report, the content of the schedules will be tested and reported upon by school board auditors in the school board performance measures agreed-upon procedures report:

- Education Levels of Public School Staff
- Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
- Public School Staff Data: Average Salaries

We understand that the content of the first two schedules will be tested and reported upon together.

Yes [ X ] No [ ]

Tax Collectors

33. We have complied with the general statutory requirements of R.S. 47.

Yes [ X ] No [ ]

Sheriffs

34. We have complied with the state supplemental pay regulations of R.S. 40:1667.7.

Yes [ ] No [ ]

35. We have complied with R.S. 13:5535 relating to the feeding and keeping of prisoners.

Yes [ ] No [ ]

District Attorneys

36. We have complied with the regulations of the DCFS that relate to the Title IV-D Program.

Yes [ ] No [ ]

Assessors

37. We have complied with the regulatory requirements found in R.S. Title 47.

Yes [ ] No [ ]

38. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.

Yes [ ] No [ ]

Clerks of Court

39. We have complied with R.S. 13:751-917 and applicable sections of R.S. 11:1501-1562.

Yes [ ] No [ ]

Libraries

40. We have complied with the regulations of the Louisiana State Library.

Yes [ ] No [ ]

#### Municipalities

41. Minutes are taken at all meetings of the governing authority (R.S. 42:20).

Yes [ X ] No [ ]

42. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal (R.S. 43:141-146 and A.G. 86-528).

Yes [ X ] No [ ]

43. All official action taken by the municipality is conducted at public meetings (R.S. 42:11 to 42:28).

Yes [ X ] No [ ]

#### Airports

44. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by R.S. 2:802.

Yes [ ] No [ ]

45. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (R.S. 2:810).

Yes [ ] No [ ]

46. All project funds have been expended on the project and for no other purpose (R.S. 2:810).

Yes [ ] No [ ]

47. We have certified to the auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (R.S. 2:811).

Yes [ ] No [ ]

#### Ports

48. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by R.S. 34:3452.

Yes [ ] No [ ]

49. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (R.S. 34:3460).

Yes [ ] No [ ]

50. All project funds have been expended on the project and for no other purpose (R.S. 34:3460).

Yes [ ] No [ ]

51. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (R.S. 34:3460).

Yes [ ] No [ ]

52. We have certified to the auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (R.S. 34:3461).

Yes [ ] No [ ]

#### Sewerage Districts

53. We have complied with the statutory requirements of R.S. 33:3881-4159.10.

Yes [ ] No [ ]

#### Waterworks Districts

54. We have complied with the statutory requirements of R.S. 33:3811-3837.

Yes [ ] No [ ]

#### Utility Districts

55. We have complied with the statutory requirements of R.S. 33:4161-4546.21.

Yes [ ] No [ ]

Drainage and Irrigation Districts

56. We have complied with the statutory requirements of R.S. 38:1601-1707 (Drainage Districts); R.S. 38:1751-1921 (Gravity Drainage Districts); R.S. 38:1991-2048 (Levee and Drainage Districts); or R.S. 38:2101-2123 (Irrigation Districts), as appropriate.

Yes [ ] No [ ]

Fire Protection Districts

57. We have complied with the statutory requirements of R.S. 40:1491-1509.

Yes [ X ] No [ ]


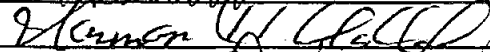
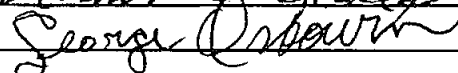
Other Special Districts

58. We have complied with those specific statutory requirements of state law applicable to our district.

Yes [ ] No [ ]

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you and the Legislative Auditor any known noncompliance that may occur subsequent to the issuance of your report.

	Secretary	March 23 <sup>rd</sup> , 2020	Date
	Treasurer	March 23 <sup>rd</sup> , 2020	Date
	President	March 23 <sup>rd</sup> , 2020	Date