

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE
TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

**AS OF DECEMBER 31, 2022
AND FOR THE YEAR THEN ENDED**

**WITH
INDEPENDENT AUDITOR'S REPORT**



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

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ST. JOSEPH, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Fire Protection District No. 1 of Tensas Parish, Louisiana
St. Joseph, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Fire Protection District No. 1 of Tensas Parish, Louisiana (the District), a component unit of the Tensas Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 7 and the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 26 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, described in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Insurance Coverage; the Schedule of Compensation of the Governing Board; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Silas Simms, LLP

Natchez, Mississippi
May 17, 2023

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION

**FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

Our discussion and analysis of Fire Protection District No. 1 of Tensas Parish, Louisiana's (the District) financial performance provides an overview of the District's financial activities for the year ended December 31, 2022.

The District's main fire station is located on Plank Road in St. Joseph, Louisiana. The District provides fire protection for all of Tensas Parish, Louisiana, with fire stations located in ten locations. The District operates primarily with volunteers and three full-time employees.

FINANCIAL HIGHLIGHTS

- General revenues were \$674,741 in 2022, compared to \$587,526 in 2021.
- General expenditures were \$585,707 in 2022, compared to \$563,070 in 2021.

OVERVIEW OF 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported 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.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and sales taxes. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 8 through 9 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 governmental fund financial statements can be found on pages 10 through 13 of this report.

Notes to 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 14 through 25 of this report.

**FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the net position at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 574,387	\$ 479,128
Capital assets	<u>521,754</u>	<u>564,013</u>
Total assets	<u>\$ 1,096,141</u>	<u>\$ 1,043,141</u>
Deferred outflow of resources	<u>\$ 301,844</u>	<u>\$ 164,203</u>
Current liabilities	\$ 137,646	\$ 201,478
Long-term liabilities	<u>812,502</u>	<u>481,821</u>
Total liabilities	<u>\$ 950,148</u>	<u>\$ 683,299</u>
Deferred inflow of resources	<u>\$ 27,323</u>	<u>\$ 192,563</u>
Net position		
Investment in capital assets (net of related debt)	\$ 305,489	\$ 298,394
Unrestricted	<u>115,024</u>	<u>33,088</u>
Total net position	<u>\$ 420,513</u>	<u>\$ 331,482</u>

The following is a summary of the statement of activities for 2022 and 2021:

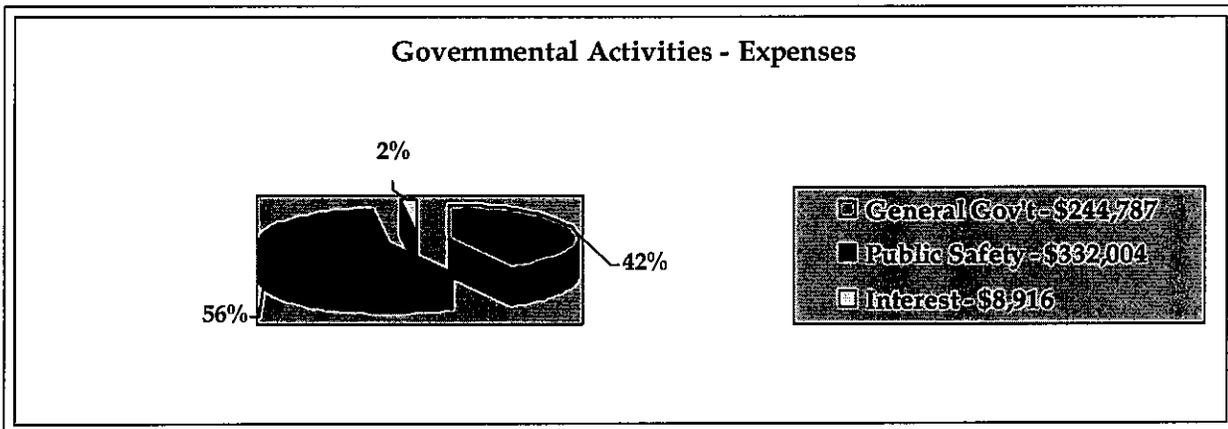
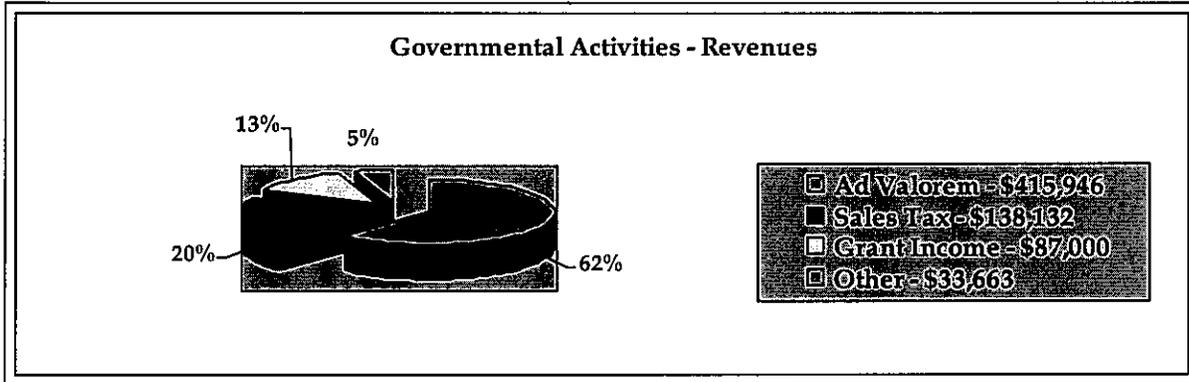
	<u>2022</u>	<u>2021</u>
Revenues		
Taxes	\$ 554,078	\$ 562,568
Other	<u>33,663</u>	<u>24,958</u>
Total revenues	<u>\$ 674,741</u>	<u>\$ 587,526</u>
Expenses		
General and administrative	\$ 244,787	\$ 262,276
Public safety - fire	332,007	290,576
Debt service - interest	<u>8,916</u>	<u>10,218</u>
Total expenses	<u>\$ 585,710</u>	<u>\$ 563,070</u>
Increase in net position	\$ 89,031	\$ 24,456
Net position - beginning of year	<u>331,482</u>	<u>307,026</u>
Net position - end of year	<u>\$ 420,513</u>	<u>\$ 331,482</u>

FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

The following are graphical representations of information presented in the Statement of Activities for Governmental Activities in 2022:



GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget was amended during the year.

The actual general fund expenditures were \$5,818 more than the budgeted amounts.

The actual general fund revenues were \$10 more than the budgeted amounts.

**FIRE PROTECTION DISTRICT NO. 1 OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

CAPITAL ASSETS

At the end of the year, the District had \$305,489 invested in capital assets (net of related debt), including land, buildings, furniture, fire-fighting equipment, and vehicles. This year, there were additions of \$17,777 in capital assets. More detailed information about the District's capital assets is presented in Note 4 of the financial statements.

DEBT

At year end, the District had \$216,265 in capital leases outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taking all factors into consideration, the District's general fund balance is expected to remain unchanged by the close of 2022.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Ricky Jones, Fire Chief, 118 Arts Drive, St. Joseph, Louisiana 71366, (318) 766-3004.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

STATEMENT OF NET POSITION

DECEMBER 31, 2022

ASSETS

Cash	\$ 80,832
Receivables, net	468,198
Deposits	1,500
Prepaid assets	23,857
Capital assets, net	<u>521,754</u>
 Total assets	 \$ <u>1,096,141</u>

DEFERRED OUTFLOWS OF RESOURCES

\$ 301,844

LIABILITIES

Accounts payable	\$ 71,758
Accrued liabilities	25,576
Accrued compensated absences	56,870
Capital leases payable - current portion	40,312
Capital leases payable - long-term portion	175,953
Net pension liabilities	<u>579,680</u>
 Total liabilities	 \$ <u>950,149</u>

DEFERRED INFLOWS OF RESOURCES

\$ 27,323

NET POSITION

Invested in capital assets, net of related debt	\$ 305,489
Unrestricted	<u>115,024</u>
 Total net position	 \$ <u>420,513</u>

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

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

STATEMENT OF ACTIVITIES

DECEMBER 31, 2022

GENERAL REVENUES

Taxes:

Ad valorem	\$ 415,946
Sales tax	138,132
Grant Income	87,000
Interest earnings	199
Other revenues	<u>33,464</u>
 Total general revenues	 \$ <u>674,741</u>

GENERAL EXPENSES

Governmental activities

General government	\$ 244,787
Public safety - fire	332,007
Interest expense	<u>8,916</u>
 Total general expenses	 \$ <u>585,710</u>

Change in net position	\$ 89,031
 Net position, beginning of year	 <u>331,482</u>
Net position, end of year	<u>\$ 420,513</u>

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

DECEMBER 31, 2022

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>		
Cash	\$ 80,832	\$ 80,832
Receivables (net of allowance for uncollectibles)	468,198	468,198
Deposits	1,500	1,500
Prepaid assets	<u>23,857</u>	<u>23,857</u>
Total assets	<u>\$ 574,387</u>	<u>\$ 574,387</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Accounts payable	\$ 71,758	\$ 71,758
Accrued liabilities	<u>25,576</u>	<u>25,576</u>
Total current liabilities	<u>\$ 97,334</u>	<u>\$ 97,334</u>
Fund balance		
Unassigned	<u>\$ 477,053</u>	<u>\$ 477,053</u>
Total fund balance	<u>\$ 477,053</u>	<u>\$ 477,053</u>
Total liabilities and fund balance	<u>\$ 574,387</u>	<u>\$ 574,387</u>

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

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

DECEMBER 31, 2022

Total Fund Balance for Governmental Funds (Statement C)	\$	477,053
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used by governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Cost of capital assets	\$ 2,463,220	
Less accumulated depreciation	<u>(1,941,466)</u>	521,754
Deferred outflows and inflows are not financial resources or currently payable		
Deferred outflows	\$ 301,844	
Deferred inflows	<u>(27,323)</u>	274,521
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund liabilities.		(216,265)
Accrued compensated absences liability		(56,870)
Net pension liability		<u>(579,680)</u>
Total Net Position of Governmental Activities (Statement A)	\$	<u>420,513</u>

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

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

YEAR ENDED DECEMBER 31, 2022

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>		
Taxes		
Ad valorem taxes	\$ 415,946	\$ 415,946
Sales tax	138,132	138,131
Grant Income	87,000	87,000
Interest earnings	199	199
Other revenues	<u>33,464</u>	<u>33,464</u>
Total revenues	<u>\$ 674,741</u>	<u>\$ 674,740</u>
<u>EXPENDITURES</u>		
General government	\$ 244,787	\$ 244,787
Public safety – fire	264,707	264,707
Capital outlay	17,777	17,777
Debt service		
Principal retirement	38,888	38,888
Interest expense	<u>8,916</u>	<u>8,916</u>
Total expenditures	<u>\$ 575,075</u>	<u>\$ 575,075</u>
Net change in fund balance	<u>\$ 99,666</u>	<u>\$ 99,666</u>
Fund balance, beginning of year	<u>\$ 377,387</u>	<u>377,387</u>
Fund balance, end of year	<u>\$ 477,053</u>	<u>\$ 477,053</u>

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

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2022

Net Changes in Fund Balance – Governmental Fund (Statement E)	\$	99,666
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Amounts reported for governmental activity in the Statement of Activities is different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlays	\$	17,777	
Depreciation expense		<u>(60,036)</u>	(42,259)

Expenditures in the Statement of Activities that do not involve current financial resources:

Accrued compensated absences expense increase	3,916
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Governmental funds report debt service payments as expenditures and funds borrowed as revenues. However, in the Statement of Activities, repayments of principal of indebtedness reduce long-term liabilities in the Statement of Net Position, and loan proceeds increase long-term liabilities:

Repayment of long-term liabilities	38,888
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Net pension expense is reported in governmental funds as expenditures as they are paid. However, in the Statement of Activities, the net pension expense is reported according to estimates required by GASB 68:

Pension expenses recognized	\$	(43,099)	
Pension expenses per GASB 68		<u>31,919</u>	<u>(11,180)</u>

Change in Net Position per Statement of Activities (Statement B)	\$	<u>89,031</u>
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The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

INTRODUCTION

1. The Tensas Parish Police Jury created the Fire Protection District No. 1 of Tensas Parish, Louisiana (the District) on May 25, 1999, by resolution. The District operates in compliance with Part I Chapter 7, Title 40 of the Louisiana Revised Statutes of 1950.
2. The purpose of the District is to provide fire protection for Tensas Parish, Louisiana.
3. The District's boundaries are all of Tensas Parish, Louisiana. Tensas Parish is located in Northeast Louisiana and has a population of 4,600.
4. A Board of Commissioners of five members governs the District, two of which are appointed by the Tensas Parish Police Jury, and three are appointed by the town of St. Joseph, Louisiana.
5. The District had three paid full-time employees during 2022.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

The District does not possess all the corporate powers necessary to make it a legally separate entity from the Tensas Parish Police Jury, which holds the District's corporate powers. For this reason, the District is a component unit of the Tensas Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

Government-Wide Financial Statements

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District.

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

Fund Financial Statements

The amounts reflected in the Balance Sheet - Governmental Funds (Statement C) and the Statement of Revenues, Expenditures, and Changes In Fund Balance (Statement E) are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the Government-Wide Financial Statements. These adjustments are summarized in the financial statements as Statements D and F.

The amounts reflected in the fund financial statements use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both *measurable* and *available*). *Measurable* means the amount of the transaction can be determined, and *available* means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. The District considers all revenues *available* if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

D. Measurement Focus/Basis of Accounting

Governmental Funds

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following is a description of the District's fund:

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus/Basis of Accounting (continued)

1. General Fund – the primary operating fund of the District, and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

E. Budgets

The District uses the following budget practices:

1. The Fire Chief prepares a proposed budget and submits same to the District’s Board of Commissioners (the Board) no later than 15 days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets are adopted on a budgetary basis. Budget amounts are as originally adopted or as amended from time to time by the Board.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Capital Assets

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets (continued)

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	30 years
Furniture and fixtures	7-10 years
Vehicles	5 years
Equipment	5-15 years

H. Compensated Absences

The District has implemented GASB Statement 16, *Accounting for Compensated Absences*. Under GASB Statement 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources.

Each full-time employee is credited with one day of sick leave for each month worked. The employee's sick leave will begin to accumulate after working one month.

I. Estimates

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

J. Fund Equity

Beginning with fiscal year 2014, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Fund Equity (continued)

- *Nonspendable Fund Balance* - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- *Restricted Fund Balance* - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- *Committed Fund Balance* - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- *Assigned Fund Balance* - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- *Unassigned Fund Balance* - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

K. Deferred Outflows/Inflows of Resources

The Statement of Net Position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2022, the District had cash and cash equivalents (book balances) totaling \$80,832. The cash was held in interest-bearing demand deposits.

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DECEMBER 31, 2022

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2022, the District's bank balance of \$73,870 is below the amount of federal deposit insurance by \$176,130. Thus, the District does not have exposure to custodial credit risk.

NOTE 3 - RECEIVABLES

The receivables of \$468,198 at December 31, 2022, were as follows:

Ad valorem	\$	374,567
Sales tax		<u>93,631</u>
Total receivables	\$	<u><u>468,198</u></u>

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2022, for the primary government were as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ <u>3,509</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,509</u>
Capital assets being depreciated				
Buildings	\$ 470,214	\$ -	\$ -	\$ 470,214
Equipment	<u>1,971,720</u>	<u>17,777</u>	<u>-</u>	<u>1,989,497</u>
Total capital assets being depreciated	\$ <u>2,445,443</u>	\$ <u>17,777</u>	\$ <u>-</u>	\$ <u>2,463,220</u>
Total capital assets				
Less accumulated depreciation for:				
Buildings	\$ (293,956)	\$ (15,365)	\$ -	\$ (309,321)
Equipment	<u>(1,587,474)</u>	<u>(44,671)</u>	<u>-</u>	<u>(1,632,145)</u>
Total accumulated depreciation	\$ <u>(1,881,430)</u>	\$ <u>(60,036)</u>	\$ <u>-</u>	\$ <u>(1,941,466)</u>
Total capital assets, net	\$ <u>564,013</u>	\$ <u>(42,259)</u>	\$ <u>-</u>	\$ <u>521,754</u>

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 4 - CAPITAL ASSETS (continued)

Depreciation expense of \$60,036 for the year ended December 31, 2022, was charged to the public safety functions.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at December 31, 2022, were as follows:

Accounts payable		\$	71,758
Accrued liabilities:			
Accrued payroll	\$	18,276	
Retirement		6,084	
Withholding		<u>1,216</u>	<u>25,576</u>
Total			<u>\$ 97,334</u>

NOTE 6 - GENERAL LONG-TERM DEBT

At December 31, 2022, long-term debt was comprised of the following:

\$399,578 capital lease due in annual installments of \$47,867 beginning December 29, 2018 through December 29, 2027, interest at 3.495%, secured by two tanker trucks.	\$	216,265
Compensated absences		<u>56,870</u>
		<u>\$ 273,135</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital lease	\$ 255,153	\$ -	\$ (38,888)	\$ 216,265	\$ 40,312
Compensated absences	<u>60,786</u>	<u>-</u>	<u>(3,916)</u>	<u>56,870</u>	<u>-</u>
Total	<u>\$ 315,939</u>	<u>\$ -</u>	<u>\$ (42,804)</u>	<u>\$ 273,135</u>	<u>\$ 40,312</u>

The maturity schedule for the debt is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 40,312	\$ 7,555	\$ 47,867
2024	41,721	6,146	47,867
2025	43,180	4,687	47,867

(continued)

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 6 - GENERAL LONG-TERM DEBT (continued)

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	44,689	3,178	47,867
2027	<u>46,363</u>	<u>1,616</u>	<u>47,916</u>
Total	<u>\$ 216,265</u>	<u>\$ 23,182</u>	<u>\$ 239,384</u>

NOTE 7 - PENSION PLANS

Plan Description: The District contributes to the Firefighters' Retirement System. The Plan is a cost-sharing, multiple-employer, defined-benefit pension plan. The Plan is administered by a board of trustees. The Plan provides retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Louisiana Revised Statutes 11:2551 et seq. grants the Board of Trustees the authority to establish and amend benefit provisions of the Plan.

The retirement system issues publicly available financial reports that include financial statements and required supplementary information for the Plan. The financial reports may be obtained from:

Firefighters' Retirement System
Post Office Box 94095, Capital Station
Baton Rouge, Louisiana 70804-9095

Funding Policy: Plan members are required to contribute 10% of their annual covered salary, and the District is required to contribute at an actuarially determined rate. The District's rate is 33.75% of annual covered payroll from January through June 2022, and 33.25% beginning July 2022 and as of December 31, 2022. The District's contribution to the Plan for the year ending December 31, 2022, was \$67,150.

NOTE 8 - PLAN DESCRIPTION AND BENEFITS

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

At December 31, 2022, the District reported a liability of \$579,680 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2022, the District's proportion was 0.082209%.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

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

For the year ended December 31, 2022, District recognized pension expense of \$43,098, plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$11,179. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,465	\$ 27,323
Changes of assumptions	47,799	-
Net difference between projected and actual earnings on pension plan investments	131,313	-
Changes in proportion and differences between District contributions and proportionate share of contributions	87,348	-
District contributions subsequent to the measurement date	<u>31,919</u>	<u>-</u>
Total	<u>\$ 301,844</u>	<u>\$ 27,323</u>

\$31,919 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 51,895
2024	43,199
2025	32,061
2026	88,819
2027	18,102
Thereafter	3,831

Actuarial assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Estimated remaining service life	Seven years, closed period

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

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

Investment rate of return	6.90% per annum (net of investment expenses, including inflation)
Inflation rate	2.50% per annum
Salary increase	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases
Cost-of-living adjustments	For the purpose of determining the present value of benefits, COLA's were deemed not to be substantively automatic and only those previously granted were included.

For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees. For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public.

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

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investment firms regarding future expected rates of return, standard deviations, and correlation coefficients for each asset class. The process integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

The June 30, 2022, estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2022 and the Curran Actuarial Consulting average study for 2022. The consultant's average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2022.

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DECEMBER 31, 2022

NOTE 8 - PLAN DESCRIPTION AND BENEFITS (continued)

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

<u>Asset Type</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity:		
U.S. equity	27.50%	5.64%
Non-U.S. equity	11.50%	5.89%
Global equity	10.00%	5.99%
Emerging market equity	7.00%	7.75%
Fixed Income:		
U.S. core fixed income	18.00%	0.84%
U.S. TIPS	3.00%	0.51%
Emerging market debt	5.00%	2.99%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	0.00%	3.14%
Risk Parity	0.00%	3.14%
Alternatives:		
Private equity	9.00%	8.99%
Real estate	6.00%	4.57%
Real assets	3.00%	4.89%
	<u>100.00%</u>	

Discount Rate

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

Sensitivity to Changes in Discount Rate

The following represents the net pension liability of the participating employers calculated using the discount rate of 6.90%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2022.

	<u>Changes in Discount Rate</u>		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net pension liability	\$ 857,572	\$ 579,680	\$ 347,900

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE 9 - RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

SECTION III

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

**FIRE PROTECTION DISTRICT NO. 1
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**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL BASIS - GENERAL FUND**

YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes				
Ad valorem	\$ 424,265	\$ 222,321	\$ 222,321	\$ -
Sales tax	110,000	145,497	145,497	-
Intergovernmental revenue	3,000	89,816	87,000	(2,816)
Interest income	200	190	199	9
Other revenues	<u>17,000</u>	<u>30,647</u>	<u>33,464</u>	<u>2,817</u>
Total revenues	<u>\$ 554,465</u>	<u>\$ 488,471</u>	<u>\$ 488,481</u>	<u>\$ 10</u>
<u>EXPENDITURES</u>				
General government	\$ 272,500	\$ 250,511	\$ 244,787	\$ 5,724
Public safety - fire	281,900	254,864	266,406	(11,542)
Capital outlay	11,000	17,777	17,777	-
Debt service:				
Principal paid	40,000	38,888	38,888	-
Interest expense	<u>10,000</u>	<u>8,916</u>	<u>8,916</u>	<u>-</u>
Total expenditures	<u>\$ 615,400</u>	<u>\$ 570,956</u>	<u>\$ 576,774</u>	<u>\$ (5,818)</u>
Net change in fund balances	\$ (60,935)	\$ (82,485)	\$ (88,293)	\$ (5,808)
Fund balance, beginning of year	<u>169,125</u>	<u>169,125</u>	<u>169,125</u>	<u>-</u>
Fund balance, end of year	<u>\$ 108,190</u>	<u>\$ 86,640</u>	<u>\$ 80,832</u>	<u>\$ (5,808)</u>

See Independent Auditor's Report.

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2022

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

Net change in fund balance – budget basis	\$ (88,293)
Increase	
Net adjustments for revenue accruals	186,259
Net adjustments for expenditure accruals	<u>1,700</u>
Net change in fund balance – GAAP basis	<u>\$ 99,666</u>

See Independent Auditor's Report.

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**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FIREFIGHTERS' RETIREMENT SYSTEM**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
District's proportion of the net pension liability (asset)	0.064716%	0.063832%	0.062600%	0.061667%	0.063045%	0.074952%	0.082209%
District's proportionate share of the net pension liability (asset)	\$ 423,301	\$ 365,875	\$ 360,080	\$ 386,153	\$ 437,000	\$ 265,619	\$ 579,680
District's covered-employee payroll	\$ 149,040	\$ 149,040	\$ 149,040	\$ 149,040	\$ 166,860	\$ 207,000	\$ 200,800
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	284.02%	245.49%	241.60%	259.10%	261.90%	159.19%	288.69%
Plan fiduciary net position as a percentage of the total pension liability	68.16%	73.55%	74.76%	73.96%	72.61%	86.78%	74.68%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT SYSTEM**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution	\$ 39,123	\$ 38,564	\$ 39,495	\$ 40,582	\$ 50,784	\$ 68,123	67,150
Contributions in relation to the contractually required contribution	<u>(39,123)</u>	<u>(38,564)</u>	<u>(39,495)</u>	<u>(40,582)</u>	<u>(50,784)</u>	<u>(68,123)</u>	<u>(67,150)</u>
Contribution deficiency (excess)	<u>\$ -</u>						
District's covered-employee payroll	\$ 149,040	\$ 149,040	\$ 149,040	\$ 149,040	\$ 166,860	\$ 207,000	\$ 200,800
Contributions as a percentage of covered-employee payroll	26.25%	25.88%	26.50%	27.23%	30.44%	32.91%	33.44%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

SECTION IV
OTHER SUPPLEMENTARY INFORMATION

FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head Name: Steven Hisaw, Board Chairman

Benefits - per diem: \$ 180

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

SCHEDULE OF INSURANCE COVERAGE

FOR THE YEAR ENDED DECEMBER 31, 2022

Below is a listing of insurance policies in force as of December 31, 2022:

<u>Policy Type</u>	<u>Number</u>	<u>Company</u>	<u>Coverage</u>	<u>Expiration</u>
1. Commercial property:	MEPK067822014	Arch		7/1/2023
Each occurrence - buildings			\$ 1,216,955	
Personal and advertising injury			\$ 58,192	
Flood - each building			\$ 1,000,000	
Employee theft			\$ 25,000	
2. Commercial liability umbrella:	MEUM06806714	Arch		7/1/2023
Each occurrence limit			\$ 1,000,000	
Personal and advertising injury			\$ 1,000,000	
Automobiles			Various	
3. Blanket insurance	11VLF8139701	Arch	Various	7/1/2023

See Independent Auditor's Report.

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

SCHEDULE OF COMPENSATION OF THE GOVERNING BOARD

FOR THE YEAR ENDED DECEMBER 31, 2022

Commissioners:		
Steven Hisaw	\$	180
Theodore Jackson		-
Rick Foster		180
David R. Lee		<u>180</u>
Total	\$	<u><u>540</u></u>

See Independent Auditor's Report.

SECTION V

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE**



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

Members of the Board of Commissioners
Fire Protection District No. 1 of Tensas Parish, Louisiana
St. Joseph, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fire Protection District No. 1 of Tensas Parish, Louisiana as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Fire Protection District No. 1 of Tensas Parish, Louisiana's basic financial statements, and have issued our report thereon dated May 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fire Protection District No. 1 of Tensas Parish, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fire Protection District No. 1 of Tensas Parish, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Fire Protection District No. 1 of Tensas Parish, Louisiana's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire Protection District No. 1 of Tensas Parish, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings as Item 2022-1.

Fire Protection District No. 1 of Tensas Parish, Louisiana's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi

May 17, 2023

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Section 1: Summary of Auditor's Report

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the primary government financial statements: | |
| Governmental activities | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(s) identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance material to the primary government financial statements? | Yes |

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

STATUS OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Reference No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Section I – Internal Control and Compliance Material to the Financial Statements:

None

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter:

None

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

**STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Reference No.</u>	<u>Description of Finding</u>
Section I – Internal Control and Compliance Material to the Financial Statements:	
2022-1	<p><u>Late Filing of Audit Report (Compliance)</u></p> <p>Condition: The District’s audited financial statements were not submitted to the Louisiana Legislative Auditor by the statutory date of June 30, 2023.</p> <p>Criteria: To be in good standing with the State of Louisiana, the audited financial statements must be submitted to the Louisiana Legislative Auditor by June 30, 2023.</p> <p>Cause: The financial statements were due on June 30, 2023, but due to staffing shortages, the District’s independent auditor was unable to complete the audit by that date.</p> <p>Effect: The District is on the noncompliance list with the State of Louisiana.</p> <p>Recommendation: We recommend that the District request that its independent auditor schedule audit field work so as to complete the audit by the statutory due date.</p> <p>Corrective Action Taken: The independent auditor will schedule the audit field work so as to complete the audit by the statutory due date.</p> <p>Contact Person: Fire Chief Rick Jones</p>

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter:

None

SECTION VI
APPLYING AGREED-UPON PROCEDURES



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**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

To the Fire Protection District No. 1 of Tensas Parish, Louisiana
 and the Louisiana Legislative Auditor:

We have performed the procedures attached, which were agreed to by the Fire Protection District No. 1 of Tensas Parish, Louisiana (the District) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2022. The District's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are included in the attachment following this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Silas Simmons, LLP

Natchez, Mississippi
 May 17, 2023

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

Written Policies and Procedures

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

- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) *Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures. Through our review, we were able to determine that wherever the Fire District did not have written policies and procedures, Tensas Parish Police Jury did have these, and the Fire District followed these policies and procedures as well for budgeting, purchasing, disbursements, receipts, contracting, credit cards and fuel cards, travel and expense reimbursements, payroll and personnel, and ethics.

1) *Board or Finance Committee*

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. Observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
 - iii. Obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Findings: We obtained a copy of the District's minutes for the fiscal period. We reviewed the minutes to determine whether the managing board met on a frequency in accordance with the board's enabling legislation, charter, or equivalent document. We reviewed the minutes to determine whether they referenced or included monthly budget-to-actual comparisons and non-budgetary information for at least one meeting during the fiscal period. During the above procedures, we noted that budget-to-actual comparisons were not referenced in the minutes of the quarterly meetings.

2) *Bank Reconciliations*

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date;
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation; and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: We prepared a list of bank accounts from the list management gave for bank confirmations. We also selected the entity's only bank account and obtained the related bank statements and reconciliations for all months in the fiscal period. We reviewed the bank reconciliations to report whether they were prepared, included evidence that management or a board member had reviewed each statement, and included documentation that management has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period. No exceptions were noted during the above procedures.

3) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

Findings: We reviewed a listing of cash/check/money order collection locations and management's representation to determine that the listing is complete. The District has one cash collection location at the Central Station. No exceptions were noted during the above procedures.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Findings: We performed testing for the process discussed in the above procedures. During testing, we were unable to obtain written documentation verifying whether the person who collected cash had no responsibilities for depositing cash in the bank, recording related transactions or reconciling bank statements.

We were able to determine from inquiry of the Fire Chief that the entity has a formal process to reconcile collections to the general ledger and subsidiary ledgers by a person that was responsible for cash collections at the location. We selected the highest week of collections from the general ledger and traced collections to the deposit date on the bank statement to determine that the deposits were made within one day of collection. We also used deposit slips to verify that check collections were completely supported by documents. During the procedure, we noted that the persons responsible for cash collections were able to record the transaction or reconcile the bank account.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Findings: Unable to obtain written documentation before completion of audit.

- D. Randomly select two deposit dates for each of the accounts selected for Bank Reconciliations Procedure 3A. Obtain supporting documentation for each of the deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location.
 - v. Trace the actual deposit per the bank statement to the general ledger.

Findings: We reviewed written documentation to determine that the entity has a process specifically defined to determine completeness of collections for each revenue source by a person who is not responsible for collections. During our review, we noted that there was no written documentation (except that of the Parish Policy Jury), but management was able to verbally communicate the process.

4) NonPayroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

Findings: We reviewed a management listing of entity disbursements from the general ledger and obtained management's representation that the listing was complete. No exceptions were noted during the above procedures.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with nonpayroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Findings: We obtained and reviewed documentation to determine that the Board approves all disbursements. There is no electronic system in place for the group, but they utilize paper purchase orders. We determined that the Board approves purchases before payment was processed and reviews invoices the month after with a check listing. No exceptions were noted during the above procedures.

- C. For each location selected under Procedure 5A, obtain the entity's nonpayroll disbursement transaction population and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence of segregation of duties tested under Procedure 5B, as applicable.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Findings: Per management, there are no active credit cards used for purchases. All purchases are made by employees and submitted for reimbursement.

- B. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card. Obtain supporting documentation, and:
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing by someone other than the authorized card holder; and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

Findings: Per management, there are no active credit cards used for purchases. All purchases are made by employees and submitted for reimbursement.

- C. Using the monthly statements or combined statements selected under Procedure 7B, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Findings: Per management, there are no active credit cards used for purchases. All purchases are made by employees and submitted for reimbursement.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures Procedure 1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions were noted during the above procedures.

7) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law;

- iii. If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Findings: No exceptions were noted during the above procedures.

8) *Payroll and Personnel*

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Findings: We obtained a listing of employees with their related salaries and randomly selected five of the District's thirteen employees to determine if compensation paid to them was in compliance with the terms of their employment contract. We also checked for any changes made to hourly pay rates/salaries during the fiscal period. No exceptions were noted during the above procedures.

- B. Randomly select one pay period during the fiscal period. For the five employees or officials selected under Procedure 9A, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees or officials documented their daily attendance and leave;
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Findings: No exceptions were noted during the above procedures.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Findings: No exceptions were noted during the above procedures.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Findings: No exceptions were noted during the above procedures.

9) *Ethics*

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

Findings: We obtained the personnel files on the employees selected in Procedure 17 from management to determine whether ethics training/compliance documentation was completed. No exceptions were noted during the above procedures.

10) *Debt Service*

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: No exceptions were noted during the above procedures.

11) *Fraud Notice*

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Findings: We inquired with management whether the entity had any misappropriations of public funds or assets. Per management, the entity was not aware of any misappropriations. No exceptions were noted during the above procedures.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: We observed the notice on the bulletin board in the lobby of the building. No exceptions were noted during the above procedures.

12) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored and observe evidence that the test/verification was successfully performed within the past three months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select five terminated employees (or all terminated employees if less than five) using the list of terminated employees obtained in Procedure 9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Findings: No exceptions were noted during the above procedures.

13) Prevention of Sexual Harassment

- A. Using the five randomly selected employees/officials from Payroll and Personnel Procedure 9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Findings: No exceptions were noted during the above procedures.

**FIRE PROTECTION DISTRICT NO. 1
OF TENSAS PARISH, LOUISIANA
(A COMPONENT UNIT OF THE TENSAS PARISH POLICE JURY)
ST. JOSEPH, LOUISIANA**

**SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Reference No.</u>	<u>Description of Exception</u>
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Board:

Procedure 2a	Budget-to-actual comparisons were not referenced in the minutes of the quarterly meetings.
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Management Response

Management plans to address the above findings during fiscal year 2023.