

***TERREBONNE PARISH FIRE DISTRICT NO. 7***

***ANNUAL FINANCIAL REPORT***

***FOR THE YEAR ENDED  
DECEMBER 31, 2021***

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
**ANNUAL FINANCIAL REPORT**  
*As of and for the Year Ended December 31, 2021*

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**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

This discussion and analysis of the Fire District No. 7's financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2021. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations liabilities exceeded assets by \$2,143,674 (net position).
- Total net assets are comprised of the following:
  - (1) Net invested in capital assets of \$2,757,483 including the cost of land, buildings & improvements, trucks and equipment, less accumulated depreciation.
  - (2) Restricted of \$111,403.
  - (3) Unrestricted of \$(725,212) due to the other post-employment benefits and pension liabilities to be funded in the future.
- During the year, expenses for fire protection services were \$1,200,678 and \$225,946 was recorded as program income. General revenues of \$1,787,287 were recognized to end the year with revenue exceeding expenses by \$812,555. This compares to last year when expenses exceeded revenues by \$(388,183).
- Governmental funds ended the year with total fund balance of \$1,318,230 of which; \$35,041 is restricted for the Tri-District Training Center; and \$76,362 is restricted for debt services; and the remainder of \$1,206,827 is unassigned.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**Government-Wide Financial Statements**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The District utilizes the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

	2020	2021	Increase (Decrease)
Current and Other Assets	\$ 1,746,999	\$ 2,436,210	\$ 599,211
Capital Assets	2,725,617	2,757,483	31,866
<b>Total Assets</b>	<b>4,472,616</b>	<b>5,103,693</b>	<b>631,077</b>
<b>Deferred Outflows</b>	<b>413,121</b>	<b>264,502</b>	<b>(148,619)</b>
Current Liabilities	99,754	163,298	63,544
Non-current Liabilities	1,860,741	1,261,310	(599,431)
<b>Total Liabilities</b>	<b>1,960,495</b>	<b>1,424,608</b>	<b>(535,887)</b>
<b>Deferred Inflows</b>	<b>1,523,480</b>	<b>1,799,913</b>	<b>276,433</b>
Net Invested in Capital Assets	2,725,617	2,757,483	31,866
Restricted	99,230	111,403	12,173
Unrestricted	(1,423,085)	(725,212)	697,873
<b>Total Net Position</b>	<b>\$ 1,401,762</b>	<b>\$ 2,143,674</b>	<b>\$ 741,912</b>

Net position increased by \$741,912 as a result of this year's operations, which indicates that the overall financial position improved during the year. The District received over \$980,000 in insurance proceeds in the last quarter of the year from Hurricane Ida damages. The bulk of the repairs will be made in the next year; so consequently the net position and current asset cash balances increased significantly. The balance in net position represents the accumulated results of all past years' operations. The beginning balance of net position in the Government-Wide Financial Statements was restated by \$(70,643) for an adjustment to adjust cash to the proper balance at the end of the year for prior years reconciling items not cleared. Capital assets and Investment in capital assets remained relatively the same because the depreciation recorded (\$230,011) was just a little less than the assets purchased (261,877). Deferred outflows and inflow changes were due to the increase or decrease in pension and OPEB liabilities.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

Condensed Statement of Activities	2020	2021	Increase (Decrease)
Total program expenses	\$(1,595,208)	\$(1,200,678)	\$ (394,530)
Total program revenues	148,931	225,946	77,015
<b>Net program income (expense)</b>	<b>(1,446,277)</b>	<b>(974,732)</b>	<b>(317,515)</b>
General revenues	1,058,094	1,787,287	729,193
<b>Change in Net Position</b>	<b>(388,183)</b>	<b>812,555</b>	<b>1,200,738</b>
<b>Net Position:</b>			
Beginning of the year, 2021 restated	1,789,945	1,331,119	(458,826)
<b>End of the year</b>	<b>\$ 1,401,762</b>	<b>\$ 2,143,674</b>	<b>\$ 741,912</b>

Total revenues generated by governmental activities for the year were \$2,013,233 - most in ad valorem taxes and insurance proceeds-general revenues. The total cost of all public safety services provided was \$1,200,678 – a decrease of 25% and included depreciation, the pension expense, and other post-employment benefit costs.

***FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)***

The District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health. A summary of the major funds follows:

The General Fund reported an ending fund balance of \$1,206,827. The beginning balance of fund balance in the Fund Financial Statements was restated by \$(70,643) for an adjustment to adjust cash to the proper balance at the end of the year for prior years reconciling items not cleared. Total revenues for the general fund were \$1,013,257, a decrease of 1% from the prior year. Insurance proceeds of \$987,803 were received for repairs to be made in the next year and were reflected as an other financing source. Current expenditures for fire protection activities were \$1,103,419, an increase of 6% from the prior year – in all functions.

The Tri-District Training Center Fund (a special revenue fund) reported an ending fund balance of \$35,041 – all restricted for expenditures to operate the training center for the three parishes.

The Debt Service Fund reported an ending fund balance of \$76,362 – all restricted and may be spent for the same purpose that the bonds were approved for.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was not amended during the year. The total revenue variance was favorable and in compliance with the State Budget Law. The total expenditure variance was unfavorable by 29% with significant variances in other services and charges and repairs and maintenance for storm damage.

**CAPITAL ASSETS**

A summary of capital assets follows:

	12/31/2020	12/31/2021
<b>NON-DEPRECIABLE ASSETS</b>		
Land	\$ 218,120	\$ 218,120
<b>DEPRECIABLE ASSETS:</b>		
Buildings & Improvements	3,222,579	3,222,579
Office Furniture & Equipment	2,441,366	2,702,035
Vehicles, Machinery & Equipment	76,245	77,453
	<hr/>	<hr/>
Total Cost of depreciable assets	5,740,190	6,002,067
	<hr/>	<hr/>
Total Cost of assets	5,958,310	6,220,187
 <b>ACCUMULATED DEPRECIATION</b>		
Total accumulated depreciation	3,232,693	3,462,704
	<hr/>	<hr/>
Net depreciable assets	\$ 2,507,497	\$ 2,539,363
	<hr/>	<hr/>
Net capital assets	<b>\$ 2,725,617</b>	<b>\$ 2,757,483</b>

This year there was \$260,669 of additions to vehicles for a new fire truck and rescue boat and office equipment. Depreciation of \$230,011 was recorded on capital assets in the governmental activities. More detailed information about the capital assets is presented in Note 7 to the financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2021*

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

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted  
Finances

	<u>2022</u>
Anticipated revenues	\$1,439,448
Expenditures:	
Current	1,049,750
Capital outlay	<u>500,000</u>
Anticipated expenditures	<u>1,549,750</u>
Excess of expenditures	(110,302)
<b>Fund Balance:</b>	
Beginning of the year	<u>955,444</u>
End of the year	<u><u>\$ 845,142</u></u>

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Fire District No. 7's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Jude Landry, Chairman  
5016 Highway 56  
Chauvin, LA 70344  
985-594-7775

# ***FINANCIAL SECTION***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

To the Commissioners of  
Terrebonne Parish Fire District No. 7  
Chauvin, Louisiana

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Fire Protection District No. 7 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2021, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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's 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 statement that are free of 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 ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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 ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation of Payments to the Agency Heads but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2022, on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.

*Stagni & Company*

May 20, 2022  
Thibodaux, Louisiana



**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Statement of Net Position

December 31, 2021

**ASSETS**

Cash	\$ 801,936
Investments	560,898
Property taxes receivable	748,905
Due from tax collector	115,777
Due from others	75,162
Prepaid Insurance	43,232
Deposits	300
Capital Assets, net of accumulated depreciation	<u>2,757,483</u>
<b>TOTAL ASSETS</b>	<u><b>5,103,693</b></u>

<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 264,502</b>
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**LIABILITIES, DEFERRED INFLOWS AND NET POSITION**

***Liabilities:***

Accounts payable	163,298
Noncurrent liabilities:	
Net Pension Liability	364,549
Other Post Employment Benefits Liability	<u>896,761</u>
<i>Total liabilities</i>	<u><b>1,424,608</b></u>

<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,799,913</b>
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***Net Position:***

Net Investment in capital assets	2,757,483
Restricted for Tri-District Training Center	35,041
Restricted for debt service	76,362
Unrestricted	<u>(725,212)</u>
<i>Total net position</i>	<u><u><b>\$ 2,143,674</b></u></u>

See notes to financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Statement of Activities - Governmental Activities  
For the Year Ended December 31, 2021

<b>FUNCTIONS/PROGRAMS</b>	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue</u>
<i>Public Safety Activities</i>	\$ 1,200,678	\$ -	\$ 225,946	\$ (974,732)
Total governmental activities	<u>\$ 1,200,678</u>	<u>\$ -</u>	<u>\$ 225,946</u>	<u>(974,732)</u>
<b>GENERAL REVENUES</b>				
Property taxes				785,021
Insurance proceeds				987,803
Interest earned				521
Miscellaneous				13,942
			<i>Total General Revenues</i>	<u>1,787,287</u>
<b>Change in Net Position</b>				812,555
<b>NET POSITION:</b>				
Beginning of year				1,401,762
Prior Period Adjustment				<u>(70,643)</u>
Beginning of year, restated				<u>1,331,119</u>
End of year				<u>\$ 2,143,674</u>

See notes to the financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Balance Sheet - Governmental Funds  
December 31, 2021

	General Fund	Training Center Fund	Debt Service Fund	Total
<b>ASSETS</b>				
Cash	\$ 752,474	\$ 48,262	\$ 1,200	\$ 801,936
Investments	560,898	-	-	560,898
Property taxes receivable	748,905	-	-	748,905
Due from tax collector	115,777	-	-	115,777
Due from others	-	-	75,162	75,162
Prepaid Insurance	43,232	-	-	43,232
Deposits	300	-	-	300
<b>TOTAL ASSETS</b>	<u>\$ 2,221,586</u>	<u>\$ 48,262</u>	<u>\$ 76,362</u>	<u>\$ 2,346,210</u>
<b>LIABILITIES</b>				
Accounts payable and accruals	\$ 150,077	\$ 13,221	\$ -	\$ 163,298
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for the next fiscal year	864,682	-	-	864,682
<b>FUND BALANCES:</b>				
Restricted for:				
Tri-District Training Center	-	35,041	-	35,041
Debt Service	-	-	76,362	76,362
Unassigned	1,206,827	-	-	1,206,827
<i>Total fund balance</i>	<u>1,206,827</u>	<u>35,041</u>	<u>76,362</u>	<u>1,318,230</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>				
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.				
Capital Assets-Non Depreciable			218,120	
Capital Assets-Depreciable			6,002,067	
Accumulated Depreciation			<u>(3,462,704)</u>	2,757,483
Deferred outflows of resources related to net pension liability are not available resources and, therefore, are not reported in the funds				
Related to net pension liability			154,274	
Related to net OPEB liability			<u>110,228</u>	264,502
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.				
Other postemployment benefit obligation (OPEB)			(896,761)	
Net pension liability			<u>(364,549)</u>	(1,261,310)
Deferred inflows of resources are not payable from current expendable resources and, therefore, are not reported in the funds				
Related to net pension liability			(563,447)	
Related to net OPEB liability			<u>(371,784)</u>	<u>(935,231)</u>
				<u>\$ 2,143,674</u>
			Net position of governmental activities	<u>\$ 2,143,674</u>

See notes to financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Fund - Governmental Funds  
For the Year Ended December 31, 2021

	General Fund	Training Center Fund	Debt Service Fund	Total
<b>REVENUES</b>				
Property Taxes	\$ 785,021	\$ -	\$ -	\$ 785,021
Intergovernmental-State				
State Revenue Sharing	25,392	-	-	25,392
State Supplemental Pay	48,000	-	-	48,000
Fire Insurance Rebate	35,304	-	-	35,304
LA Dept of Agriculture Grant	5,321	-	-	5,321
COVID Relief Funds	75,000	-	-	75,000
Intergovernmental-Local	-	12,000	-	12,000
Firehouse Subs Grant	24,929	-	-	24,929
Interest	473	21	27	521
Miscellaneous	13,817	125	-	13,942
<b>TOTAL REVENUES</b>	<u>1,013,257</u>	<u>12,146</u>	<u>27</u>	<u>1,025,430</u>
<b>EXPENDITURES</b>				
<i>Current - Public Safety:</i>				
Personal services	769,258	-	-	769,258
Supplies & Materials	40,928	-	-	40,928
Other services & charges	254,161	-	-	254,161
Repairs & Maintenance	39,072	-	-	39,072
<i>Total current</i>	<u>1,103,419</u>	<u>-</u>	<u>-</u>	<u>1,103,419</u>
<b>Capital Outlay</b>	<u>261,877</u>	<u>-</u>	<u>-</u>	<u>261,877</u>
<b>TOTAL EXPENDITURES</b>	<u>1,365,296</u>	<u>-</u>	<u>-</u>	<u>1,365,296</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Compensation for property damages	987,803	-	-	987,803
<b>Net change in fund balances</b>	<u>635,764</u>	<u>12,146</u>	<u>27</u>	<u>647,937</u>
<b>FUND BALANCES:</b>				
Beginning of year	641,706	22,895	76,335	740,936
Prior period adjustment	(70,643)	-	-	(70,643)
Beginning of year, restated	<u>571,063</u>	<u>22,895</u>	<u>76,335</u>	<u>670,293</u>
End of year	<u>\$ 1,206,827</u>	<u>\$ 35,041</u>	<u>\$ 76,362</u>	<u>\$ 1,318,230</u>

See notes to financial statements.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
 Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2021

<b>Net change in fund balances - total governmental funds</b>		\$	647,937
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>			
Capital outlay			261,877
Depreciation expense			(230,011)
			31,866
<p>Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows and inflows of resources. Changes in the net pension liability and net OPEB liability are reported as expenses in the statement of activities.</p>			
Other postemployment benefits			(8,364)
Pension			141,116
			132,752
Change in net assets - governmental activities		\$	812,555

See notes to financial statements.

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

Terrebonne Parish Fire District No. 7 (the District) is governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government organized under La. Revised Statute 40:1492 and Terrebonne Parish Ordinance #5175 adopted January 12, 1994. The District provides for the acquisition, construction, maintenance, and operations of fire protection and emergency medical service facilities, for the purchase of fire trucks and other firefighting or emergency medical service equipment and paying the cost of obtaining water for fire protection purposes within the District.

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements 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.

#### **A.      Reporting Entity**

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Most ad valorem tax revenue is received from Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could in statute be financially burdened by the Fire District No. 7, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental reporting entity. The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish.

#### **B.      Basis of Presentation**

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **B. Basis of Presentation (continued)**

##### **Governmental Fund Type**

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds per 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 that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund - Accounts for all financial resources and expenditures except those required to be accounted for in other funds.

Debt Service Fund -Accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

Special Revenue Fund - (Training Project Fund) Accounts for and reports the revenues and expenditures for the Tri-District Training Center.

#### **C. Measurement Focus / Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### ***Fund Financial Statements (FFS)***

The amounts reflected in fund financial statements, 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 a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C.      Measurement Focus / Basis of Accounting (continued)**

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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 court considers all revenues available if they are collected within 60 days after the fiscal 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. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2020 property taxes which were levied to finance the 2021 budget are recognized as revenue in 2021. The 2021 tax levy is recorded as deferred revenue in the current financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

**Expenditures** – The major expenditures are recorded when payable or when the fees are incurred.

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

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C. Measurement Focus / Basis of Accounting (continued)**

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

**General Revenues** - Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### **D. Use of Estimates**

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

#### **E. Operating Budgets**

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the General and Special Revenue Funds. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The district did not amend its budget for the year ended December 31, 2021 for the General Fund. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund and Special Revenue Fund budgets are adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

#### **F. Cash and Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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.

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **F.      Cash and Investments (Continued)**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations. Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP).

Investment is also allowed in the Louisiana Asset management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met.

#### **G.      Receivables**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

#### **H.      Deferred Outflows and Inflows of Resources**

The District reports decreases (increases) in net position that relate to future periods as deferred outflows (inflows) of resources in separate sections of its Statement of Net Position. The District reports deferred outflows of resources and deferred inflows of resources related to its net pension liability. These amounts are being amortized over a period of four years.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**I. Capital Assets**

In the government-wide financial statements, additions, improvements and other capital outlays that significantly extend the useful life of an asset are recorded and depreciated (capitalized). Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>CATEGORY</u>	<u>LIFE</u>
BUILDINGS AND IMPROVEMENTS	10-40 YEARS
OFFICE FURNITURE & EQUIPMENT	5-15 YEARS
VEHICLES & EQUIPMENT	5-40 YEARS

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

**J. Long-Term Obligations**

The accounting treatment of long-term obligations depends on whether they are reported in the GWFS or FFS.

In the GWFS all long-term obligations to be repaid from governmental resources are reported as liabilities in the GWFS. The long-term obligations consist of general obligation bonds and other postemployment benefit obligations.

In the FFS long-term obligations for governmental funds are not reported as liabilities in the FFS. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures. The District funds other postemployment benefit obligations on a pay as you go basis. Accordingly, payments for postemployment benefits are recognized as expenditures when the current liability is incurred.

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **K. Vacation and Sick Leave**

Full time employees are entitled to 18 days of vacation after one year of service. Each year the employee must take the vacation time before the anniversary date (the first day of employment). The vacation period shall be increased by one day for each year of service over ten years, up to a maximum vacation period of thirty days. There is no accumulated vacation as of the end of the year.

Every firefighter in the employ of a fire protection district shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of not less than fifty-two weeks. A firefighter employed by any fire protection district who draws full pay during sickness or incapacity shall have such pay decreased by the amount of workers' compensation benefits actually received by the employee. A firefighter is entitled to sick leave benefits even though the injury or illness may have occurred while he was off duty. Firemen are not prohibited from engaging in part-time employment while receiving sick leave. A probationary firefighter who is not a regular or permanent firefighter is not entitled to sick leave benefits provided by the District. Sick leave does not accumulate for employees; accordingly there is no accrued sick leave as of year-end.

#### **L. Fund Equity**

For government-wide financial statements net assets are classified and displayed in three components:

- Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **L.      Fund Equity (continued)**

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable fund balance cannot be spent because of its form.
- Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- Committed fund balance is a limitation imposed by the Board through approval in minutes.
- Assigned fund balances is a limitation imposed by a designee of the Board.
- Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

### **Note 2      DEPOSITS AND INVESTMENTS**

#### **Deposits:**

A summary of deposits and investments are listed as follows:

	<b>Reported Amount</b>	<b>Bank Balance</b>
<b>Cash</b>	\$801,936	\$840,580
<b>LAMP</b>	560,898	560,898
<b>Total</b>	\$1,433,477	\$1,401,478

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Note 2 DEPOSITS AND INVESTMENTS (continued)**

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. At year-end \$590,580 in deposits was exposed to custodial credit risk. These deposits were secured by FDIC insurance.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Investments:**

Investment balances and maturities at year end are as follows:

<b>Investment Type</b>	<b>As Reported</b>	<b>Fair Value</b>	<b>Ave Days Maturity</b>
Louisiana Asset Management Pool	\$560,898	\$560,898	Less than 1 year

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 2                    DEPOSITS AND INVESTMENTS (continued)**

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

### **Note 3                    PROPERT TAX REVENUE**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes.

The tax rate for the year ended December 31, 2020 on which the 2021 assessment was calculated was 16.15 mills of assessed valuation on property within Terrebonne Parish Fire District No. 7 for the purpose providing fire protection within the District. The assessed values of real property upon which 2021 property tax were based was \$56,118,320.

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 4      PROPERTY TAXES RECEIVABLE - DUE FROM TAX COLLECTOR**

The Terrebonne Parish Sheriff collects and remits property taxes on behalf of all taxing districts in their respective jurisdictions. Property taxes receivable represents real property taxes, and outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred revenue since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a modified accrual basis the revenue is reported as a deferred inflow of resources.

The amount that was collected in December but not yet remitted to the District is considered due from the tax collector; the remaining amount of the total deferred levy is recorded as a property tax receivable. The entire levy is reported as a deferred inflow of resources of \$864,682.

The tax rate for the year 2021 levy – for revenue to be recognized in 2022 was 16.15 mills of assessed valuation on property within the District for the purpose of providing fire protection within the District. The assessed values of real property upon which the 2021 property tax levy is based on is \$53,540,845.

### **Note 5      SUPPLEMENTAL PAY**

In addition to the compensation paid to employees, firefighters may be eligible to receive supplemental pay. The amount of the compensation is determined by State Law and is revised periodically. During the current year the District has recognized revenue and expenditures of \$48,000 in salary supplements received from the State.

### **Note 6      RISK MANAGEMENT**

The District is exposed to various risks of loss related to workmen's compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group health benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation and group health. The premiums for auto liability are paid to the Parish for reimbursement of commercial carrier premiums. No settlements were made during the year that exceeded the District's insurance coverage.

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 7                      CAPITAL ASSETS**

Information about capital assets and depreciation for the year are summarized as follows:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
<b>NON-DEPRECIABLE ASSETS</b>				
Land	\$ 218,120	\$ -	\$ -	\$ 218,120
<b>DEPRECIABLE ASSETS:</b>				
Buildings & Improvements	3,222,579	-	-	3,222,579
Office Furniture & Equipment	2,441,366	260,669	-	2,702,035
Vehicles, Machinery & Equipment	76,245	1,208	-	77,453
Total Cost of depreciable assets	<u>5,740,190</u>	<u>261,877</u>	-	<u>6,002,067</u>
Total Cost of assets	5,958,310	261,877	-	6,220,187
 <b>ACCUMULATED DEPRECIATION</b>				
Buildings & Improvements	1,425,023	90,075	-	1,515,098
Office Furniture & Equipment	1,744,766	134,959	-	1,879,725
Vehicles, Machinery & Equipment	62,904	4,977	-	67,881
Total accumulated depreciation	<u>3,232,693</u>	230,011	-	<u>3,462,704</u>
Net depreciable assets	<u>\$2,507,498</u>			<u>\$2,539,363</u>
Net capital assets	<u>\$2,725,618</u>			<u>\$2,757,483</u>

Depreciation Expense of \$230,011 was recorded in the governmental activities.

### **Note 8                      OTHER POSTEMPLOYMENT BENEFITS**

The District has implemented Governmental Accounting Standards Board (GASB) Statement 75 which increases the reporting and disclosure requirements for other post-employment benefits (OPEB). The standards require state and local governments to recognize net OPEB liabilities directly in their financial statements, as a means of more effectively disclosing exactly what these benefits are meant to provide. Plan information, including actuarial valuation information and funding status, can be found in the annual financial report of Terrebonne Parish Consolidated Government.

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **Note 8 OTHER POSTEMPLOYMENT BENEFITS (continued)**

**Plan Description.** The TPCG administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the payment of medical, dental and life insurance premiums to eligible employees, retirees and their dependents as approved by the Board of Commissioners. The District funds the entire premium for all benefits on all employees.

District employees retiring with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule: 1 to 15 years of service, 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service between 16 and 20; 21 years or more of service, 60% plus 5% per year of service over 21, limited to 85% of the premium. A retired employee may provide dependent hospitalization coverage at applicable dependent rates.

Terrebonne Parish Consolidated Government contracts with an actuarial consultant to provide an actuarial valuation of the OPEB liability under GASB Statement 75, which requires at least biennial valuations for plans with membership over 200, unless significant changes since the last valuation. The most recent OPEB liability actuarial valuation was completed for the plan year that ended December 31, 2020.

**Benefits Provided.** The Parish maintains the following benefits covering eligible active and retire employees and their dependents.

- Self-funded health coverage
  - Standard plan
  - Premium plan
- Self-funded dental coverage
- Fully insured group term life insurance
- Beginning January 1, 2019, a fully insured Medicare Advantage plan for Medicare-eligible retirees

For hire dates prior to January 1, 2013, to be eligible for coverage after retirement, employees were required to have ten years of service with the Parish and be eligible for retirement under one of the state retirement systems.

Effective for all employees hired on or after January 1, 2013, the Parish changed the eligibility requirements. For MPERS and FRS employees, benefits will be available to those eligible with twenty-five years of service and age 55. For all other employees, a retiring employee must have thirty years of service and age 55.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Note 8 OTHER POSTEMPLOYMENT BENEFITS (continued)**

For employees who were hired prior to January 1, 2013 and retired prior to 2005, the Parish implemented a contribution structure that varies based on the years of service at retirement. The current Parish subsidy percentages vary between 10 years of service of 27.50% and 25+ years of 80%. For those who retired after 2005, the Parish subsidy is 80%.

**Employees covered by benefit terms.** At January 1, 2020, the following employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries currently receiving benefit payments	249
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	930
	<hr/>
	1,179

**Contribution Rates.** Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Total OPEB Liability.** The District's total OPEB liability of \$896,761 measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and other inputs.**

The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	December 31, 2021
Actuarial Valuation Date	January 1, 2020
Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	1.84%,
Prior year discount rate	2.00%

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Note 8 OTHER POSTEMPLOYMENT BENEFITS (continued)**

The discount rate was based on December 31, 2021 Fidelity General Obligation AA 20-Year Yield. Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees were based on PubG.H.-2010 (general) and PubS.H.-2010 (public safety) Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

**Changes in the Total OPEB Liability (Asset).** The table below reflects the Net Other Post-employment Benefit (OPEB) Obligation (Asset):

Beginning Net OPEB Obligation	\$868,074
Service Cost	20,371
Interest	17,637
Changes of benefit terms	6,811
Differences between expected and actual experience	(2,879)
Changes in assumptions	9,981
Benefit payments	<u>(23,233)</u>
Net Change in OPEB Obligation	<u>28,688</u>
Ending Net OPEB Obligation 12/31/2018	<u>\$896,762</u>

**Sensitivity of the total OPEB liability to changes in the discount rate and healthcare trend rates.** The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1.0% Decrease	Current Discount Rate 1.84%	1.0% Increase
Total OPEB liability	\$ 1,078,659	\$896,762	\$754,634
Healthcare Cost Trend Rates	\$ 731,618	\$896,762	\$1,119,752

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Note 8 OTHER POSTEMPLOYMENT BENEFITS (continued)**

The District's proportionate share of the aggregate plan OPEB expense (benefit) was \$96,550.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Liability experience	\$ 13,286	\$(82,920)
Assumption changes	87,201	(75,094)
Deferred Amounts	9,741	(213,770)
<b>Total</b>	<b>\$110,228</b>	<b>\$(371,784)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2022	\$(48,694)
2023	\$(48,694)
2024	\$(93,987)
2025	\$2,876
Thereafter	\$0

**NOTE 9 FIREFIGHTERS RETIREMENT SYSTEM**

GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

**PLAN DESCRIPTION** – The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 434 of the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana R.S. 11:2251 – 11:2269, specifically, and other general laws of the State.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System of Louisiana, 2051 Silverside Dr., Suite 210, Baton Rouge, LA 70808-4136 or at their website <http://www.lafirefightersret.com>.

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **NOTE 9      FIREFIGHTERS RETIREMENT SYSTEM (continued)**

**ELIGIBILITY REQUIREMENTS** – Membership in the System is a condition of employment for any full time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters Retirement System. Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

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

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement. See R.S. 11:2256(A) for additional details on retirement benefits.

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

## **TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **NOTE 9      FIREFIGHTERS RETIREMENT SYSTEM (continued)**

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

**DEFERRED RETIREMENT OPTION PLAN (DROP)** – After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the DROP employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the DROP plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the DROP plan account balance in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the DROP account until the participant retires.

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

**EMPLOYER CONTRIBUTIONS** – Employer contributions are actuarially determined each year. For the period July 1, 2020 to June 30, 2021, employer and employee contributions for members above the poverty line were 32.25% and 10.00% respectively, and for members below the poverty line were 34.25% and 8.00% respectively.

**NON-EMPLOYER CONTRIBUTIONS** – The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2021 and were excluded from pension expense. Non-employer contributions received by the District was \$29,387 and the System was \$28,567,787.

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES** - As of December 31, 2021, the District reported liabilities in the GWFS of \$364,549 in its governmental activities for its proportionate share of the net pension liabilities of the System.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

**NOTE 9      FIREFIGHTERS RETIREMENT SYSTEM (continued)**

The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportional share of the System was 0.102868% which was a decrease of 0.04034% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2020 the District recognized a pension expense (benefit) of \$(11,803) and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FFRS	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 5,202	\$(32,737)
Changes in assumption	-	(221,230)
Changes due to proportion	78,995	-
Employer Contributions after the Measurement Date	56,059	(309,480)
<b>Totals</b>	<b>\$154,274</b>	<b>\$(563,447)</b>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2022	\$(79,273)
2023	\$(92,720)
2024	\$(105,556)
2025 & thereafter	\$(187,683)
	<b>\$(465,232)</b>

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

**NOTE 9      FIREFIGHTERS RETIREMENT SYSTEM (continued)**

**ACTUARIAL ASSUMPTIONS** - The total pension liabilities in the June 30, 2021, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	June 30, 2020
Actuarial cost method	Entry Age Normal
<b>Actuarial cost assumptions:</b>	
Expected remaining service lives	7 years, closed period
Investment rate of return	6.90% per annum
Inflation rate	2.50% per annum
Salary increases	Vary from 14.10% in the first two years of service to 5.20% with 3 or more years
Cost of Living Adjustments	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included

The mortality rate assumptions was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.

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

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

## TERREBONNE PARISH FIRE DISTRICT NO. 7

Notes to the Financial Statements  
For the Year Ended December 31, 2021

### **NOTE 9      FIREFIGHTERS RETIREMENT SYSTEM (continued)**

Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equities-US Equity	27.50%	5.86%
Equities-Non-US Equity	11.50%	6.44%
Equities-Global Equity	10.00%	6.40%
Equity – Emerging Market	7.00%	8.64%
Fixed Income-US Core	18.00%	.97%
Fixed Income-U.S. TIPS	3.00%	.40%
Fixed Income-Emerging Market Debt	5.00%	2.75%
Multi-Asset Strategies-Global Tactical	0.00%	4.17%
Multi-Asset Strategies-Risk Parity	0.00%	4.17%
Alternatives-Real Estate	6.00%	5.31%
Alternatives-Real Assets	3.00%	***
Alternatives-Private Equity	9.00%	9.53%
Totals	100.00%	
Discount Rate		6.9%

**SENSITIVITY OF THE CHANGES IN DISCOUNT RATE** - The following presents the net pension liabilities 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.

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$699,360	\$364,549	\$85,320

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Note 10      COMPENSATION OF BOARD MEMBERS**

Total compensation was paid to the following Board Members:

Barry Chauvin	\$300
Jude Landry	330
Cecil Lapeyrouse	60
Marty Dupre	<u>330</u>
	\$1,020

**Note 11      BEGINNING BALANCES - RESTATED**

The beginning balance of net position in the Government-Wide Financial Statements and the beginning balance of fund balance in the Fund Financial Statements was restated for an adjustment to adjust cash to the proper balance at the end of the year for prior years reconciling items not cleared.

	<b>Net Position</b>	<b>Fund Balance</b>
Ending Balance 12/31/2020	\$ 1,401,762	\$ 641,706
Prior Period Adjustment	<u>(70,643)</u>	<u>(70,643)</u>
Beginning Balance, restated	<u>\$ 1,331,119</u>	<u>\$ 1,206,827</u>

***REQUIRED SUPPLEMENTAL  
INFORMATION***

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Budget Comparison Schedule - General Fund  
For the Year Ended December 31, 2021

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final (No amendments)		
<b>REVENUES</b>				
Property Taxes	\$906,309	\$906,309	\$785,021	\$ (121,288)
Intergovernmental - State	98,000	98,000	189,017	91,017
Intergovernmental-Local	-	-	24,929	24,929
Interest	5,000	5,000	473	(4,527)
Miscellaneous	2,000	2,000	13,817	11,817
<b>TOTAL REVENUES</b>	<u>1,011,309</u>	<u>1,011,309</u>	<u>1,013,257</u>	<u>1,948</u>
<b>EXPENDITURES</b>				
Public safety - current:				
Personal services	765,950	765,950	769,258	(3,308)
Supplies & Materials	42,900	42,900	40,928	1,972
Other services & charges	231,400	231,400	254,161	(22,761)
Repairs & Maintenance	17,000	17,000	39,072	(22,072)
Total public safety - current	<u>1,057,250</u>	<u>1,057,250</u>	<u>1,103,419</u>	<u>(46,169)</u>
Capital expenditures	5,000	5,000	261,877	(256,877)
<b>TOTAL EXPENDITURES</b>	<u>1,062,250</u>	<u>1,062,250</u>	<u>1,365,296</u>	<u>(303,046)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance Proceeds	-	-	987,803	987,803
<b>NET CHANGE IN FUND BALANCES</b>	(50,941)	(50,941)	635,764	686,705
<b>FUND BALANCES</b>				
Beginning of year, restated	641,706	609,279	571,063	(38,216)
End of year	<u>\$ 590,765</u>	<u>\$ 558,338</u>	<u>\$ 1,206,827</u>	<u>\$ 648,489</u>

**Notes to budget comparison schedule:**

**1 Basis of Accounting**

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

**2 Budgetary Practices**

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Budget Comparison Schedule - Training Center Fund  
For the Year Ended December 31, 2021

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Local	\$15,000	\$15,000	\$12,000	\$ (3,000)
Miscellaneous	-	-	125	125
Interest	60	60	21	(39)
<b>TOTAL REVENUES</b>	<u>15,060</u>	<u>15,060</u>	<u>12,146</u>	<u>(2,914)</u>
<b>EXPENDITURES</b>				
Public safety - current:				
Supplies & Materials	5,500	5,500	-	5,500
Other services & charges	5,500	5,500	-	5,500
Total public safety - current	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Capital expenditures	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>4,060</u>	<u>4,060</u>	<u>12,146</u>	<u>(13,914)</u>
<b>FUND BALANCES</b>				
Beginning of year	21,347	21,347	22,895	1,548
End of year	<u>\$ 25,407</u>	<u>\$ 25,407</u>	<u>\$ 35,041</u>	<u>\$ (12,366)</u>

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

**Required Supplemental Information  
Firefighters Retirement Pension Plan**

For Fiscal Year Ended Measurement Date	12/31/15 06/30/15	12/31/16 06/30/16	12/31/17 06/30/17	12/31/18 06/30/18	12/31/19 06/30/19	12/31/20 06/30/20	12/31/21 06/30/21
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**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION**

Proportion of the net pension liability	0.15478%	0.171032%	0.172572%	0.172630%	0.156277%	0.143210%	0.143210%
Proportionate share of the net pension liability	\$ 835,360	\$ 1,118,704	\$ 989,157	\$ 992,981	\$ 978,593	\$ 992,667	\$ 364,549
Covered employee payroll	\$ 189,604	\$ 162,525	\$ 218,280	\$ 426,330	\$ 382,487	\$ 219,612	\$ 279,523
Proportionate share of the net pension liability as a percentage of	440.58%	688.33%	453.16%	232.91%	255.85%	452.01%	130.42%
Plan fiduciary net position as a	72.45%	68.20%	73.50%	74.76%	73.96%	72.61%	86.78%

**SCHEDULE OF CONTRIBUTIONS**

Contractually required contribution	\$ 52,253	\$ 52,198	\$ 15,211	\$ 108,916	\$ 100,091	\$ 98,939	\$ 83,212
Contributions made	(52,253)	(300,359)	(15,211)	(108,004)	(101,359)	(97,549)	(90,146)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 912	\$ (1,268)	\$ 1,390	\$ (6,934)
Covered employee payroll	\$ 162,525	\$ 218,280	\$ 52,906	\$ 426,330	\$ 382,487	\$ 219,612	\$ 279,523
Contribution as a percentage of	32.15%	23.91%	28.75%	25.33%	26.50%	44.42%	32.25%

\*\* Note: Initial Year of GASB 68 Implementation was 2015. This schedule is intended to show information for 10 years. Additional Years will be displayed as they become available.

**Notes to Required Supplementary Information**

<i>Changes of Benefit Terms</i>	No change						
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*Changes of Assumptions*

Inflation rate	2.875%	2.875%	2.775%	2.700%	2.700%	2.500%	2.500%
Discount rate used to measure pension liability	7.50%	7.50%	7.40%	7.30%	7.15%	7.00%	6.90%
Salary increases	Vary from 15% in the first two years of service to 4.75% after 25 years	no change	no change	no change	Vary from 14.75% in the first two years of service to 4.75% after 25 years	14.10% in first two years to 5.20% with 3 or more years	no change
Investment rate of return	7.50%	7.50%	7.40%	7.30%	7.15%	7.00%	7.00%
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Expected remaining service lives	7 years, closed period	7 years, closed period	7 years, closed period	7 years, closed period	7 years, closed period	7 years, closed period	7 years, closed period

**TERREBONNE PARISH FIRE DISTRICT NO. 7**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**

	2018	2019	2020	2021
<b>Total OPEB Liability</b>				
Service Cost	\$ 48,399	\$ 21,253	\$ 25,517	\$ 20,371
Interest	\$ 70,522	\$ 28,971	\$ 29,412	\$ 17,637
Change in benefit terms	\$ (1,057,226)	\$ 4,552	\$ (307,216)	\$ 6,811
Differences between expected and actual experience	\$ (10,459)	\$ 42,556	\$ (128,796)	\$ (2,879)
Changes in assumptions or other inputs	\$ (72,977)	\$ 253,743	\$ (92,649)	\$ 9,981
Benefit payments	\$ (29,337)	\$ (35,060)	\$ (19,988)	\$ (23,233)
Net Change in Total OPEB Liability	<u>\$ (1,051,078)</u>	<u>\$ 316,015</u>	<u>\$ (493,720)</u>	<u>\$ 28,688</u>
<b>Total OPEB Liability-beginning</b>	<u>\$ 2,096,855</u>	<u>\$ 1,045,778</u>	<u>\$ 1,361,794</u>	<u>\$ 868,074</u>
<b>Total OPEB Liability-ending</b>	<u>\$ 1,045,777</u>	<u>\$ 1,361,793</u>	<u>\$ 868,074</u>	<u>\$ 896,762</u>
Covered Employee Payroll	\$ 409,289	\$ 462,570	\$ 429,093	\$ 457,335
Total OPEB Liability as a percentage of covered employee payroll	255.51%	294.40%	202.30%	196.08%

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

**Notes to Retirement System Schedules:**

		Effective 1/1/2019, a Medicare Advantage Plan was introduced as an option for eligible retirees.		
<b>Changes of Benefit Terms.</b>	No changes		No changes	No changes
<b>Changes of Assumptions.</b> reflect the effects of changes in the discount rate each period.				
Inflation	not listed	2.500%	2.500%	2.500%
Salary Increases, including inflation	3.000%	3.000%	3.000%	3.000%
Discount rate used	3.710%	2.750%	2.000%	1.840%
Mortality Rate Scale	MP-2018	MP-2019	MP-2020	PubS.H-2010

## ***OTHER INFORMATION***

**TERREBONNE PARISH FIRE DISTRICT NO. 7**

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief  
Executive Officer  
For the Year Ended December 31, 2021

Agency Head Name: **Marty Thibodeaux, District Fire Chief**

<b>Purpose</b>	<b>Amount</b>
Salary	\$80,821
Benefits-insurance - Employer Paid premium - **	\$16,872
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits - other (Medicare-1.45%)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Benefits-Cell phone	\$493
Dues	\$0
Vehicle rental	\$0
Per diem	\$0
Reimbursements-office supplies	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0

*This form is used to satisfy the reporting requirement of R.S. 24:513(A)(3) on Supplemental Reporting*

***REPORTS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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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 Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Commissioners of  
Terrebonne Parish Fire District No. 7  
Chauvin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Terrebonne Parish Fire District No. 7 (the District), a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 20, 2022.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 the internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2021-1).

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Stagni & Company*

May 20, 2022  
Thibodaux, Louisiana



**TERREBONNE PARISH FIRE PROTECTION DISTRICT NO. 7**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
**For the Year Ended December 31, 2021**

We have audited the basic financial statements of the governmental activities for the year ended December 31, 2021, and the related notes to the financial statements and have issued our report thereon dated May 20, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements resulted in an unmodified opinion.

**Section I Summary of Auditor's Reports**

**a. Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control**

Material Weaknesses	<b>No</b>
Significant Deficiencies	<b>YES</b>

**Compliance**

Compliance Material to Financial Statements	<b>No</b>
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**b. Federal Awards      *Not applicable***

**Internal Control**

Material Weaknesses	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Reportable Conditions	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Type of Opinion On Compliance For Major Programs	Unqualified		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		Qualified		<input type="checkbox"/>		
	Disclaimer		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		Adverse		<input type="checkbox"/>		

Are their findings required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Circular)?

**c. Identification of Major Programs:      *Not applicable***

CFDA Number (s)	Name of Federal Program (or Cluster)
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Dollar threshold used to distinguish between Type A and Type B Programs:    \$\_\_\_\_  
 Is the auditee a 'low-risk' auditee, as defined by Uniform Circular



**TERREBONNE PARISH FIRE PROTECTION DISTRICT NO. 7**  
**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2021  
Page 2 of 2

*Section II Financial Statement Findings*

***Internal Control***

**2021-1      BANK RECONCILIATIONS**

**Criteria:** According to the Louisiana Legislative Auditor's best practices the bank reconciliation preparer should consider whether reconciling items are appropriate and are being recorded and that the reconciled cash balance agrees to the general ledger balance. Any differences between the bank balances and accounting records should be immediately researched and resolved. The preparer should also research reconciling items that are outstanding for more than six months to determine if the checks need to be voided and re-issued or whether the funds need to be submitted to the State Treasurer in compliance with unclaimed property laws.

**Condition:** Errors were identified when reconciling cash to general ledger activities and required an adjustment to balance cash. On the December 2021 bank reconciliation there were numerous outstanding checks dating back to 2012 and a deposit.

**Effect:** Terrebonne Parish Fire Protection District No. 7 has a recognized deficiency in internal control over bank reconciliations.

**Cause:** Bank reconciliations are prepared using Quickbooks software and should agree to the general ledger but did not. After the reconciliation was completed it was not verified that it agreed to the general ledger. Old outstanding items were not voided or adjusted.

**Recommendation:** We recommend bank reconciliations for all bank accounts are completed timely and reconcile to the accounting records.

**Management's Response:** All future bank reconciliations will be reconciled within one month and will be reconciled to the general ledger.

*Section III Federal Award Findings - NONE*



***TERREBONNE PARISH  
FIRE DISTRICT #7***

**Statewide Agreed Upon  
Procedures Report With Schedule  
of Findings and Management's Responses**

***As of and for the Year Ending  
December 31, 2021***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## AGREED-UPON PROCEDURES REPORT

Terrebonne Parish Fire District #7

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

For the Period January 1, 2021 – December 31, 2021

To the Board of Commissioners  
Terrebonne Parish Fire District #7 and  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Terrebonne Parish Fire District #7 (District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-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).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** *The policies of District address all the applicable functions listed with the exception of the following:*

- 1) *The District has not adopted a Debt Service policy; however, there is no outstanding debt.*
- 2) *The District has not adopted an Information Technology Disaster Recovery/Business Continuity policy.*
- 3) *The District's Sexual Harassment policy makes no mention of annual employee training or annual reporting.*



### **Board or Finance Committee**

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that 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.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** *There were no exceptions in this area.*

### **Bank Reconciliations**

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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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** *Management confirmed that there were 3 bank accounts and identified which was the main operating account. We inspected the December 2021 bank statements and reconciliations and observed the evidence that the reconciliations were prepared timely. The bank statement had no evidence of approval that a Board member had reviewed the reconciliation. There was no evidence that management had researched the items over 12 months that were on the reconciliation.*



**Collections (excluding electronic funds transfers )**

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** *A listing of deposit sites (1) was obtained with management's representation that the listing was complete. The 1 deposit site was selected.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results:** *There are no cash collections. All collections are made by check mailed to the District office or by direct deposit.*

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

**Results:** *A copy of the bond or insurance policy for theft was obtained by management and appeared to be enforced during the fiscal period.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.



**Results:** We randomly selected two deposit dates for the bank account selected for procedure #3 under “Bank Reconciliations” above. We obtained supporting documentation for each of the 2 deposits and:

- a) Sequentially pre-numbered receipts are not applicable. All receipts are mailed in or direct deposited.
- b) All of the documentation were traced to the deposit slips, no exceptions noted.
- c) All of the deposit slip details agreed to the deposit per the bank, no exceptions noted.
- d) All of the deposits were made within one business day of receipt, no exceptions noted.
- e) All of the actual deposits per the bank statement agreed to the general ledger, no exceptions noted.

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

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8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Results:** We obtained management’s representation that there is one disbursement location.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** We obtained a listing of employees who perform non-payroll disbursement functions and the policies that address the areas listed above. No exceptions resulted from this procedure.

10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** We obtained the general ledger population of non-payroll disbursements and management’s representation that the population was complete.



- a) *Five disbursements were randomly selected and matched the invoices and supporting documentation with no exceptions.*
- b) *The documentation included evidence that showed duties were segregated according to the written policy.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

**Results:** *We obtained management's representation that there was one active credit card.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** *We observed evidence of review and approval on the August 2021 statement as per the District's policy. Finance charges and late fees were not assessed on this credit card statement.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by

- (1) an original itemized receipt that identifies precisely what was purchased,
- (2) written documentation of the business/public purpose, and
- (3) documentation of the individuals participating in meals (for meal charges only).

For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results:** *There were no receipts included with the credit card statement examined. According to written policy the credit card is to be reconciled each calendar month to each receipt for purchases by employees authorized to use them.*



### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** *The general ledger was reviewed for travel and travel-related expense reimbursements. Three were noted, 2 of which used approved, appropriate per diem rates. One reimbursement for meals while attending training did not have an original receipt. The reimbursement request did list the purpose (training) where the meal was and who was there and did show evidence of review and approval.*

### ***Contracts***

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15. 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.



**Results:** We obtained a listing from management of agreements/contracts and management's representation that the listing is complete. One contract was initiated during the year. The contract was not subject to public bid law, was approved by the Board and was not amended. The payment agreed to the terms of the contract. No exceptions were noted from these procedures.

### **Payroll and Personnel**

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16. 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.

**Results:** We obtained a listing of employees/officials and management's representation that the listing is complete. We randomly selected 5 employees/officials to agree their paid salaries to authorized pay rates.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** All employees documented their time and leave which was approved by their supervisors. No exceptions were noted

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

**Results:** There were no employees terminated during the fiscal year.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results:** We obtained management's representation that third-party payroll related amounts had been paid by the required deadlines.



## **Ethics**

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** *Documentation was maintained that 3 of the 5 of the employees/officials did not complete the required ethics training during the fiscal period. There were no changes to the ethics policies during the fiscal period.*

## **Debt Service**

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21. 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.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** *The District did not issue any bonds/notes during the fiscal year. There was no outstanding debt at year-end.*

## **Fraud Notice**

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23. 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.

**Results:** *Management has represented that there were no misappropriations of public funds or assets during the fiscal period.*

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

**Results:** *The notice is posted on the premises as required by R.S. 24:523.1 as required.*



## ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

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

**Results:** *We performed the procedure and discussed the results with management. No exceptions were noted.*

## ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**Results:** *There was no evidence that any of the employees/officials selected had completed sexual harassment training during the calendar year.*

27. 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).

**Finding:** *The District did not have the sexual harassment policy or complaint procedure posted on its premises as required.*

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;



- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

**Results:** *The District did not file an annual sexual harassment report. However, no incidents of harassment were noted during the fiscal year.*

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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Stagni & Company*

Thibodaux, LA  
June 6, 2022



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STAGNI & COMPANY, LLC

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