

COTEAU FIRE PROTECTION DISTRICT
Houma, LA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

COTEAU FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2021

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COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

This discussion and analysis of the 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:

- The net position decreased slightly as a result of this year's operations. At the end of the year assets exceeded liabilities by \$1,605,619 (net position).
- During the year, expenses for fire protection services increased by about 10%. General revenues increased by over \$33,000, resulting at end the year with expenses exceeding revenue by \$45,654. This compares to last year when net position increased by \$174.
- Fund balances of the governmental funds decreased by \$19,096 to \$646,128, all considered unassigned and available for use in future years.

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. 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

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

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. All 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.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net position increased slightly from \$1,651,273 to \$1,605,619. Unrestricted net assets—the part of net assets increased by 36% at the end of the year; however the net invested in capital assets decrease by 10%. The balance in net position represents the accumulated results of all past years' operations. Current assets remained relatively the same as last year. Capital assets decreased due to the depreciation expense and disposals.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

Deferred outflows and inflows increased or decreased due to the changes in the components of the pension liability. Long term liabilities decreased for the payments made on the certificates of indebtedness and the decrease of the net pension liability. Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

Condensed Statement of Net Position			Increase
	2020	2021	(Decrease)
Current and Other Assets	\$1,568,650	\$ 1,498,676	\$ (69,974)
Capital Assets	2,144,573	1,919,171	(225,402)
Total Assets	3,713,223	3,417,847	(295,376)
Deferred Outflows	202,897	191,319	(11,578)
Current Liabilities	48,582	-	(48,582)
Long-term Liabilities	1,330,318	965,821	(364,497)
Total Liabilities	1,378,900	965,821	(364,497)
Deferred Inflows	885,947	1,037,726	151,779
Net Invested in Capital Assets	2,144,573	1,919,171	(225,402)
Unrestricted	(493,300)	(313,552)	179,748
Total Net Position	\$1,651,273	\$ 1,605,619	\$ (45,654)

Program expenses – mainly other services and charges (telephone, insurance, legal fees for the Certificate of Indebtedness) increased by approximately 10%. Program revenues (2% fire insurance rebate) remained relatively the same. General revenues - ad valorem taxes - increased by over \$33,000.

Condensed Statement of Activities			Increase
	2020	2021	(Decrease)
Total program expenses	\$ (847,331)	\$ (927,078)	\$ 79,747
Total program revenues	11,368	11,346	(22)
Net program income	(835,963)	(915,732)	79,725
General revenues	836,137	870,078	33,941
Change in Net Position	174	(45,654)	(45,828)
Net Position:			
Beginning of the year	1,651,099	1,651,273	174
End of the year	\$1,651,273	\$ 1,605,619	\$ (45,654)

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The general fund reported an ending fund balance of \$646,128. This reflects a decrease of \$19,096 from the prior year.

Total revenues for the general fund were \$881,424, an increase of 4% from the prior year. Current expenditures for fire protection activities were \$754,882, an increase of 36% from the prior year with increases in salaries and benefits; and repairs and maintenance to buildings and auto and truck from Hurricane Ida. Capital outlay equaled \$21,675 for some equipment purchases and the final payment on the fire station upgrade.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year. A summary of those changes:

Original Budgeted Revenues	\$889,844
Amendments were made for:	
Decreased Ad Valorem taxes	(5,529)
Increased Intergovernmental	1,122
Added a transfer from the Capital Reserve	220,000
Decreased Interest & Miscellaneous	(7,866)
Total revenue amendments	(207,727)
Amended Budgeted Revenues	\$1,097,571
Original Budgeted Expenditures	\$883,152
Amendments were made for:	
Increased current expenditures	201,252
Increased Capital Outlay	5,303
Increased Debt Service	71,705
Total expenditure amendments	(261,064)
Amended Budgeted Expenditures	\$1,161,412

The variance in total revenues was unfavorable by more than 5% due to the transfer from the capital reserve. Budgeted expenditures at the end of the year was in compliance with the State Budget Law.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

CAPITAL ASSETS

A summary of capital assets:

	12/31/2020	12/31/2021
NON-DEPRECIABLE ASSETS		
Land	\$47,783	\$47,783
Construction in Progress	1,205,465	-
Total Cost of non-depreciable assets	\$1,253,248	\$47,783
DEPRECIABLE ASSETS:		
Buildings & Improvements	682,429	1,888,214
Vehicles	1,584,781	1,428,817
Machinery & Equipment	521,109	608,343
Office Furniture & Equipment	4,177	4,606
Total Cost of depreciable assets	2,792,496	3,929,980
Total Cost of assets	4,045,744	3,977,763
Less accumulated depreciation	1,901,171	2,058,592
Net depreciable assets	\$891,325	\$1,871,388
Net capital assets	\$2,144,573	\$1,919,171

Depreciation

\$254,954	\$235,149
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This year there was additions of \$1,236,240 including \$1,216,220 that was transferred to Buildings & Improvements from construction in progress for a new Administration Building located behind Station #1. Assets that were deleted from the schedule totaled \$88,001. More detailed information about the capital assets is presented in Note 5 to the financial statements.

LONG-TERM DEBT

At the end of the year there was a \$700,666 outstanding long-term debt - \$67,684 of Rescue Unit (Squad 22) and \$632,982 on the certificate of indebtedness for the construction of a new multipurpose training and administration facility. Principal payments of \$157,744 and \$26,959 of interest was made on the outstanding balances. More detailed information about the long term debt is presented in Note 6 to the financial statements.

COTEAU FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

FIREFIGHTERS RETIREMENT SYSTEM

The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system.

As of December 31, 2021, the District reported liabilities in the GWFS of \$265,155 in its governmental activities for its proportionate share (.074821%) of the net pension liabilities of the System. The District reported deferred outflows of resources of \$191,319 and deferred inflows of resources of \$(185,178) related to pensions. More information on the plan is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget adopted by the Board of Commissioners on November 23, 2021 include:

	2022
Anticipated revenues	\$ 837,972
Expenditures:	
Current	687,225
Capital outlay	-
Debt service	138,886
Anticipated expenditures	826,111
Revenues over expenditures (deficit)	11,861
Fund Balance:	
Beginning of the year	662,124
End of the year	\$ 673,985

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District'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. Robert Parr, Chairman
2325 Coteau Road
Houma, LA
Phone number 985-868-4355

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Coteau Fire Protection District
Houma, 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 Coteau Fire Protection District (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, amount 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 16, 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 16, 2022
Thibodaux, Louisiana



COTEAU FIRE PROTECTION DISTRICT

Statement of Net Position

December 31, 2021

ASSETS

Cash	\$	15,727
Investment		594,055
Property taxes receivable		786,218
Due from tax collector		66,331
Prepaid Insurance		36,345
Capital Assets, net of accumulated depreciation		1,919,171
TOTAL ASSETS		<u><u>3,417,847</u></u>

DEFERRED OUTFLOWS OF RESOURCES

Related to net pension liability	191,319
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LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Liabilities:

Long-term liabilities:

Due in one year	186,506
Due after one year	779,315
<i>Total liabilities</i>	<u><u>965,821</u></u>

Deferred Inflows of Resources:

Property taxes - subsequent year	852,548
Related to net pension liability	185,178
<i>Total deferred inflows</i>	<u><u>1,037,726</u></u>

Net Position:

Net Invested in capital assets	1,919,171
Unrestricted	(313,552)
<i>Total net position</i>	<u><u>\$ 1,605,619</u></u>

See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net Revenue (Expense)
		Charges for services	Capital & Operating Grants	
Public Safety-Current	\$ 664,970	\$ -	\$ 11,346	\$ (653,624)
Interest and Fiscal Charges	26,959	-	-	(26,959)
Depreciation	235,149	-	-	(235,149)
Total governmental activities	<u>\$ 927,078</u>	<u>\$ -</u>	<u>\$ 11,346</u>	<u>(915,732)</u>
GENERAL REVENUES				
	Property taxes			853,315
	State of Louisiana			7,776
	Miscellaneous			8,384
	Interest earned			603
		<i>Total General Revenues</i>		<u>870,078</u>
	Change in Net Position			(45,654)
	NET POSITION:			
	Beginning of year			<u>1,651,273</u>
	End of year			<u><u>\$ 1,605,619</u></u>

See notes to the financial statements.

COTEAU FIRE PROTECTION DISTRICT
 Balance Sheet - Governmental Fund - General Fund
 December 31, 2021

ASSETS		
Cash	\$	15,727
Investments		594,055
Property taxes receivable		786,218
Due from tax collector		66,331
Prepaid Insurance		36,345
TOTAL ASSETS	<u>\$</u>	<u>1,498,676</u>
LIABILITIES		
Accounts payable	<u>\$</u>	<u>-</u>
TOTAL LIABILITIES		-
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for the next fiscal year		852,548
FUND BALANCE		
Unassigned		<u>646,128</u>

RECONCILIATION TO THE STATEMENT OF NET POSITION:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.

Capital Assets	3,977,763	
Accumulated Depreciation	<u>(2,058,592)</u>	1,919,171

Deferred outflows of resources related to net pension liability are not available resources and, therefore, are not reported in the funds 191,319

Long-term liabilities are not due and payable in the current period and therefore are not reported in the government fund.

Long term liabilities due in one year	(186,506)	
Long term liabilities due after one year	(514,160)	
Net pension liability	<u>(265,155)</u>	(965,821)

Deferred inflows of resources related to net pension liability are not payable from current expendable resources and, therefore, are not reported in the funds (185,178)

Net position of governmental activities \$ 959,491

See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2021

REVENUES	
Property Taxes	\$ 853,315
Intergovernmental - State:	
Revenue Sharing	7,776
Fire Insurance Rebate	11,346
Miscellaneous	8,384
Interest	603
TOTAL REVENUES	<u>881,424</u>

EXPENDITURES	
General Government - current:	
Ad Valorem Tax Deduction	28,762
Public Safety - current:	
Salaries & benefits	374,753
Supplies & materials	42,652
Other services & charges	153,813
Repairs & maintenance	154,902
<i>Total current</i>	<u>754,882</u>
Capital Outlay	<u>21,675</u>
Debt Service:	
Principal	157,744
Interest	26,959
<i>Total debt service</i>	<u>184,703</u>
TOTAL EXPENDITURES	<u>961,260</u>
Excess of expenditures over revenues	(79,836)

OTHER SOURCES (USES):	
Compensation for property damages	60,740
NET CHANGE IN FUND BALANCES	<u>(19,096)</u>

FUND BALANCES	
Beginning of year	665,224
End of year	<u>\$646,128</u>

RECONCILIATION TO THE STATEMENT OF ACTIVITIES:	
Net change in fund balances per above	\$ (19,096)

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.

Capital outlay	21,675	
Depreciation expense	<u>(235,149)</u>	(213,474)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Principal payments on long-term debt	157,744
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Changes related to the Pension Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities

(Increase) Decrease in Net Pension Liability	206,752	
Change in Deferred Outflows	(11,578)	
Change in Deferred Inflows	<u>(166,002)</u>	29,172

Change in net position - governmental activities	<u>\$ (45,654)</u>
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See notes to financial statements.

COTEAU FIRE PROTECTION DISTRICT

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

The Coteau Fire Protection District (the District) is governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government organized under La. Revised Statute 40:1492. 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.

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. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Coteau Fire Protection District, 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 any other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Terrebonne Parish Consolidated Government for the year ending December 31, 2021.

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:

COTEAU FIRE PROTECTION DISTRICT

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-wide Financial Statements (GWFS):

GWFS include the Statement of Net Position and the Statement of Activities for all activities of the District. The GWFS presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements (FFS)

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 according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The governmental fund of the District is the General Fund. The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds. The General Fund is *always* a major fund.

C. Measurement Focus / Basis of Accounting

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).

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.

COTEAU FIRE PROTECTION DISTRICT

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)

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.

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). 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:

COTEAU FIRE PROTECTION DISTRICT

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 – 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 current public safety supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

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 District's General Fund. As allowed by state law, the Board does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The District did amend its budget for the year ended December 31, 2021. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

F. Cash & 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.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F. Cash & 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 limited by Louisiana Revised Statute (R.S.) 33:2955. Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). The Louisiana Asset Management Pool (LAMP) is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes and all deposits are considered short term.

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. Prepaid Insurance

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

I. 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 five years.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J. 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:

CATEGORY	LIFE
BUILDINGS & IMPROVEMENTS	35 YEARS
VEHICLES	5-40 YEARS
OFFICE FURNITURE, FIXTURE & EQUIPMENT	5-15 YEARS
MACHINERY & EQUIPMENT	5-20 YEARS

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

K. Long-Term Debt

In the GWFS all long-term debt to be repaid from governmental resources are reported as liabilities. In the FFS long-term debt is not reported as liabilities. Debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

L. Fund Equity

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

- Net 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.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

L. Fund Equity (continued)

- 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 “net invested in capital assets.”

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.

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 entity’s board through approval of resolutions.
- Assigned fund balances is a limitation imposed by a designee of the entity’s 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.

M. Compensated Absences

Administrative Leave

The Fire Chief may grant administrative leave with or without pay for periods not to exceed thirty days. Examples of such leave may include attendance at educational seminars or conferences, to take civil service examinations, during investigation of an employee’s action, etc.

Vacation – Eligibility

Employees are eligible for vacation leave after they have completed one (1) year of full time service. Employees who obtain one (1) year of service after the issuance of leave for a given year will be given prorated leave based on the number of whole months left in the calendar year.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

M. Compensated Absences

Vacation days earned is determined by the length of service on January 1 of each calendar year as set forth by the District's policy. Vacation Days may be calculated in hours, (1day = 9 hours) and taken in that manner. All Vacation Leave must be taken each year, no carryover of vacation days will be allowed.

Sick Leave

Sick leave shall be available to each employee due to illness or injury not brought about by his/her own negligence or culpable indiscretion. Sick leave shall be governed by Louisiana Revised Statutes 33:1995.

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

A summary of deposits are listed as follows:

	Bank Balance	Reported Amount
Checking Accounts	\$15,797	\$15,727

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.

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. As of year-end none of the bank balance of deposits was exposed to custodial credit risk.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 2

DEPOSITS & INVESTMENTS (continued)

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. 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

At year-end the balance of \$594,055 is invested in the Louisiana Asset management Pool (LAMP). 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.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

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. LAMP is rated AAAM by Standard & Poor's. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required for custodial credit risk.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 2 DEPOSITS & INVESTMENTS (continued)

Pooled investments are excluded from the 5 percent disclosure requirement regarding the concentration of credit risk. 2a-7 like investments pools are excluded from the interest rate disclosure requirement, nor is foreign currency risk disclosure applicable.

NOTE 3 PROPERTY 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 Terrebonne 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. 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 – which is recognized as revenue in 2021 - was 18 mills of assessed valuation on property within Coteau Fire Protection District for the purpose of constructing, maintaining and operating fire protection facilities within the District. The assessed values of real property upon which the 2021 property taxes are based on is \$47,491,344.

Note 4 DUE FROM TAX COLLECTOR

The Terrebonne Parish Sheriff collects and remits property taxes on behalf of all taxing districts in Terrebonne Parish. 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 2021 levy is budgeted to finance 2022 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.

COTEAU FIRE PROTECTION DISTRICT

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

Note 4 DUE FROM TAX COLLECTOR (continued)

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 \$852,548.

The tax rate for the year 2021 levy – for revenue to be recognized in 2022 was 18 mills of assessed valuation on property within Coteau Fire Protection 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 \$47,363,788.

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions / Adjustments	Ending Balance
NON-DEPRECIABLE ASSETS				
Land	\$ 47,783	\$ -	\$ -	\$ 47,783
Construction in Progress	1,205,465	10,755	(1,216,220)	-
Total Non-Depreciable Assets	1,253,248	10,755	(1,216,220)	47,783
DEPRECIABLE ASSETS:				
Buildings & Improvements	682,429	1,216,220	(10,435)	1,888,214
Vehicles	1,584,781	-	(155,964)	1,428,817
Machinery & Equipment	521,109	8,186	79,048	608,343
Office Furniture & Equipment	4,177	1,079	(650)	4,606
Total Cost of depreciable assets	2,792,496	1,225,485	(88,001)	3,929,980
Total Cost of assets	4,045,744	1,236,240	(1,304,221)	3,977,763
ACCUMULATED DEPRECIATION				
Buildings & Improvements	249,687	25,551	(6,454)	268,784
Vehicles	1,344,115	147,374	(155,964)	1,335,525
Machinery & Equipment	304,756	61,723	85,191	451,670
Office Furniture & Equipment	2,613	501	(501)	2,613
Total accumulated depreciation	1,901,171	235,149	(77,728)	2,058,592
Net depreciable assets	891,325			\$1,871,388
Net capital assets	\$2,144,573			\$1,919,171

Depreciation Expense of \$235,149 was recorded in the governmental activities.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 6 LONG-TERM DEBT

A summary of changes in the long-term debt for the year is as follows:

CATEGORY	BALANCE BEGINNING	Adjustment	PAYMENTS	BALANCE ENDING
Rescue Unit (Squad 22)	\$133,411	\$ -	\$(65,727)	\$ 67,684
Government Capital	725,000	(1)	(92,017)	632,982
Totals	\$858,411	\$ (1)	\$(157,744)	\$ 700,666

The District entered into a financing lease agreement for the acquisition of a fire truck on November 24, 2015. The first lease payment was made on March 1, 2015 and the title to the truck has transferred and was capitalized as of January 1, 2017. The lease bears an interest rate of 2.98% and is repayable on December 30th through 2022. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The asset was recorded at a cost of \$434,579 as a capital asset. Principal payments of \$65,726 and interest of \$3,977 were made during the year.

Future minimum lease payments:

12/31/2022	\$	67,685	<u>\$</u>	2,018	\$	<u>69,703</u>
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The Board approved a resolution on August 26, 2019 and March 24, 2020 to incur debt in the form of a Certificate of Indebtedness, Series 2020 to finance the construction of a new multipurpose training and administration facility. The project is in progress as of December 31, 2020. The Certificates shall be payable from and secured by a pledge and dedication of the excess of annual revenues in each of the fiscal years during which the Certificates are outstanding. The Certificates shall bear interest at a rate not to exceed 3.37% per annum. The Certificates mature in 6 annual installments due not to exceed 7 years from the date of issuance.

Future minimum lease payments:

4/3/2022	\$118,821	\$20,065	\$138,886
4/3/2023	122,587	16,299	138,886
4/3/2024	126,473	12,413	138,886
4/3/2025	130,482	8,404	138,886
4/3/2026	134,619	4,267	138,886
	\$ 632,982	\$ 61,448	\$ 694,430

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM

The District adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. That Statement 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, disability benefits, and death benefits for its members.

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>.

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.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

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).

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.

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

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 System during the year ended June 30, 2021 for the System were \$28,567,787 and for the District were \$21,375.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - As of December 31, 2021, the District reported liabilities in the GWFS of \$265,155 in its governmental activities for its proportionate share of the net pension liabilities of the System. 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 .074821% which was an increase of .00674% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021 the District recognized a pension expense of \$47,886 in its governmental activities related to its participation in the System. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

	Deferred outflows	Deferred inflows
Differences between expected and actual experience	\$ 3,784	\$(23,811)
Investment Earnings	-	(160,911)
Changes in assumption	57,457	-
Changes in proportion	94,577	(456)
Subsequent to measurement date contributions	35,501	-
	<u>\$191,319</u>	<u>\$(185,178)</u>

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 in the year ended December 31, 2021. 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	\$(6,147)
2023	(7,032)
2024	(16,872)
2025	691
	<u>\$(29,360)</u>

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

Valuation Date	June 30, 2021
Actuarial cost method	Entry Age Normal
Actuarial cost assumptions:	
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

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

The mortality rate assumptions were updated in fiscal year 2021 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables. For the June 30, 2021 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

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 (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.50%. 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%
Fixed Income-US Core	18.00%	0.97%
Fixed Income-Emerging Market Debt	5.00%	2.75%
Fixed Income-US TIPS	3.00%	0.40%
Multi-Asset Strategies-Global Tactical Asset Allocation	0.00%	4.17%
Alternatives-Real Estate	6.00%	5.31%
Alternatives-Private Equity	9.00%	9.53%
Alternatives-Real Assets	3.00%	
Totals	100.00%	
Discount Rate		6.90%

COTEAU FIRE PROTECTION DISTRICT

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

NOTE 7 FIREFIGHTERS RETIREMENT SYSTEM (continued)

SENSITIVITY OF THE CHANGES IN DISCOUNT RATE - The following presents the net pension liabilities of the participating employers calculated using the discount rate as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2020.

	1% Decrease	Current Discount Rate 6.90%	1% Increase
Net Pension Liability	\$508,679	\$ 265,155	\$ 62,057

NOTE 8 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 for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

NOTE 9 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year.

***REQUIRED SUPPLEMENTAL
INFORMATION***

COTEAU FIRE PROTECTION DISTRICT

Budget Comparison Schedule - General Fund

For the Year Ended December 31, 2021

	Budgets		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Taxes	\$854,844	\$849,315	\$853,315	\$ 4,000
Intergovernmental Revenue - State	18,000	19,122	19,122	-
Transfer from Capital Reserve	-	220,000	-	(220,000)
Miscellaneous	5,000	8,384	8,384	-
Interest	12,000	750	603	(147)
TOTAL REVENUES	889,844	1,097,571	881,424	(216,147)
EXPENDITURES				
General Government - current:				
Ad Valorem Tax Deduction	34,050	28,762	28,762	-
Public safety - current:				
Salaries & benefits	328,700	398,050	374,753	23,297
Supplies & materials	45,500	47,250	42,652	4,598
Other services & charges	198,200	208,825	153,813	55,012
Repairs & maintenance	56,500	181,315	154,902	26,413
Total public safety - current	628,900	835,440	726,120	109,320
Capital outlay	37,500	42,803	21,675	21,128
Debt Service:				
Principal	155,926	225,430	157,744	67,686
Interest	26,776	28,977	26,959	2,018
Total debt service	182,702	254,407	184,703	69,704
TOTAL EXPENDITURES	883,152	1,161,412	961,260	200,152
Excess of expenditures over revenues	6,692	(63,841)	(79,836)	(15,995)
OTHER SOURCES (USES):				
Proceeds from Insurance - Hurricane	-	60,740	60,740	-
NET CHANGE IN FUND BALANCES	6,692	(3,101)	(19,096)	(15,995)
FUND BALANCES				
Beginning of year	608,282	776,009	665,224	(110,785)
End of year	\$ 614,974	\$ 772,908	\$ 646,128	\$ (126,780)

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.

COTEAU FIRE PROTECTION DISTRICT
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended December 31, 2021

Year Ended June 30**	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.074821%	\$ 265,155	\$ 171,056	155.01%	86.78%
2020	0.068081%	\$ 471,907	\$ 169,494	278.42%	72.61%
2019	0.056129%	\$ 351,475	\$ 123,658	284.23%	73.96%
2018	0.054794%	\$ 315,179	\$ 109,654	287.43%	74.76%
2017	0.052783%	\$ 302,544	\$ 127,812	236.71%	73.50%
2016	0.050970%	\$ 333,410	\$ 124,572	267.64%	68.20%
2015	0.051609%	\$ 278,540	\$ 113,384	245.66%	72.40%

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

** Amounts presented were determined as of the measurement date (previous fiscal year-end).

Notes to Retirement System Schedules:

Changes of Benefit Terms

6/30/2016	NO CHANGE
6/30/2017	NO CHANGE
6/30/2018	NO CHANGE
6/30/2019	NO CHANGE
6/30/2020	NO CHANGE
6/30/2021	NO CHANGE

Changes of Assumptions

	Actuarial cost method	Inflation rate	Discount rate- Investment ROR	Salary increases Vary from 15.0% in first two years to 4.75% with 25 or more years	Expecting remaining service lives
6/30/2015	Entry Age Normal	2.88%	7.50%	more years	7 years
6/30/2016	Entry Age Normal	2.88%	7.50%	no change	7 years
6/30/2017	Entry Age Normal	2.78%	7.40%	no change	7 years
6/30/2018	Entry Age Normal	2.70%	7.30%	no change	7 years
6/30/2019	Entry Age Normal	2.50%	7.15%	Vary from 14.75% in first two years to 4.50% with 25 or more years	7 years
6/30/2020	Entry Age Normal	2.50%	7.00%	14.10% in first two years to 5.20% with 3 or more years	7 years, closed period
6/30/2021	Entry Age Normal	2.50%	6.90%	14.10% in first two years to 5.20% with 3 or more years	7 years, closed period

COTEAU FIRE PROTECTION DISTRICT
Schedule of Employer Contributions
For the Year Ended December 31, 2021

Year Ended June 30**	(a) Statutorily Required Contribution (SRC)	(b) Contributions in Relation to the SRC	(a-b) Contribution Deficiency (Excess)	Agency's covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2021	\$ 60,524	\$ 60,524	\$ -	\$ 171,056	35.4%
2020	\$ 47,035	\$ 47,035	\$ -	\$ 169,494	27.8%
2019	\$ 35,949	\$ 35,949	\$ -	\$ 123,658	29.1%
2018	\$ 34,654	\$ 31,994	\$ (2,660)	\$ 109,654	29.2%
2017	\$ 33,087	\$ 33,087	\$ -	\$ 127,812	25.9%
2016	\$ 25,672	\$ 25,672	\$ -	\$ 137,975	18.6%
2015	\$ 10,786	\$ 10,786	\$ -	\$ 124,572	8.7%

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

** Amounts presented were determined as of the measurement date (previous fiscal year-end).

Notes to Retirement System Schedules:

Changes of Benefit Terms

6/30/2016	NO CHANGE
6/30/2017	NO CHANGE
6/30/2018	NO CHANGE
6/30/2019	NO CHANGE
6/30/2020	NO CHANGE
6/30/2021	NO CHANGE

Changes of Assumptions

	Actuarial cost method	Inflation rate	Discount rate- Investment ROR	Salary increases vary from	Expecting remaining service lives
	Entry Age			15.0% in first two years to 4.75% with 25 or more years	7 years
6/30/2015	Normal	2.88%	7.50%	no change	7 years
6/30/2016	no change	2.88%	7.50%	no change	7 years
6/30/2017	no change	2.78%	7.40%	no change	7 years
6/30/2018	no change	2.70%	7.30%	no change vary from 14.75% in first two years to 4.50% with 25 or more years	7 years
6/30/2019	Entry Age Norma	2.50%	7.15%	14.10% in first two years to 5.20% with 3 or 7 years, closed period	7 years
6/30/2020	Entry Age Norma	2.50%	7.00%	14.10% in first two years to 5.20% with 3 or 7 years, closed period	7 years
6/30/2021	Entry Age Norma	2.50%	6.90%	more years	7 years, closed period

OTHER INFORMATION

COTEAU FIRE PROTECTION DISTRICT

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

Agency Head Name: RUSSELL DISALVO, DISTRICT FIRE CHIEF

Purpose	Amount
Salary	\$73,618
Supplemental Pay	\$6,000
Benefits-insurance	\$7,508
Benefits-retirement	\$27,271
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem for meals for conference	\$0
Reimbursements	\$727
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$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

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
Coteau Fire Protection District
Houma, 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 the Coteau Fire Protection 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 16, 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.

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 16, 2022
Thibodaux, Louisiana



COTEAU FIRE PROTECTION DISTRICT

**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

AGREED-UPON PROCEDURES REPORT

Coteau Fire Protection District

Independent Accountant's Report
On Applying Agreed-Upon Procedures

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

To the Board of Commissioners
Coteau Fire Protection District and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Coteau Fire Protection District (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

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. No exceptions noted.*

Board or Finance Committee

- 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.



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- 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. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *There were no exceptions noted to any of these procedures.*

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 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: *We obtained a list of bank accounts and management's representation that the list was complete. For the bank account we inspected the December 2021 bank statement and reconciliation and observed that there was evidence that they were reconciled timely and that there was evidence of review by a board member. There were no outstanding reconciling items over 12 months.*

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).
- 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: *The District has one collection location. There are no cash collections made at this site. Checks are mailed in or direct deposited. No exceptions resulted from these procedures.*

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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 2 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 was not applicable*
- 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)

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 the District has only 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. Job duties are properly segregated.*

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 population of non-payroll disbursements from the general ledger and management's representation that the population was complete. Five disbursements were randomly selected and matched the invoices and supporting documentation with no exception.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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 3 active credit/fuel cards.*



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. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: *We obtained the supporting documentation and observed that the statement was reviewed and approved by the appropriate personnel and there were no late charges incurred. No exceptions were noted from these procedures.*

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: *All transactions were supported by proper documentation. No exceptions were noted from these procedures.*

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

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).
 - 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: *A review of the general ledger travel and travel-related expenditures revealed that there were no disbursements for travel reimbursements made during the year.*

Contracts

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. The listing contained 2 contracts that were selected.*

- a) *The contracts were not subject bid in accordance with the Louisiana Public Bid Law.*
- b) *The contracts were approved by the Board.*
- c) *The contracts were not amended.*
- d) *Two payments for the contracts were selected and agreed to the invoice and terms of the contract. No exceptions were noted.*

Payroll and Personnel

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 randomly selected 5 employees and obtain their related paid salaries to agree to their authorized pay rates. No exceptions noted.*



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: *No exceptions noted from these procedures.*

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 terminated employees 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 have been paid by required deadlines.*

Ethics

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

Results: *All of the 5 employees selected completed the required training.*



Debt Service

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.

Results: *The District did not issue any bonds/notes during the fiscal year.*

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 have any outstanding bonds/notes at year-end.*

Fraud Notice

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

Information Technology Disaster Recovery/Business Continuity

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

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.

Findings: *All of the employees completed the sexual harassment training during the fiscal 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).

Results: *The sexual harassment policy and complaint procedure is posted on its premises as required.*

28. Obtain the District'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.

Finding: *The District did not file annual sexual harassment report during the current fiscal period nor were there any incidents of sexual harassment.*

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 9, 2022



STAGNI & COMPANY, LLC
