

DESOTO PARISH FIRE DISTRICT NO. 8

MANSFIELD, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2021

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

## DESOTO PARISH FIRE DISTRICT NO. 8

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**DESOTO PARISH FIRE DISTRICT NO. 8**

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# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
DeSoto Parish Fire District No. 8  
Mansfield, Louisiana

### Opinion

I have audited the accompanying financial statements of the governmental activities and the general fund of the DeSoto Parish Fire District No. 8 (the District), a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general 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 Opinion

I conducted my 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 and the *Louisiana Governmental Audit Guide*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the DeSoto Parish Fire District No. 8 and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

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

My 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 my opinion. 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, I:

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I 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, the budgetary comparison schedules, the schedule of employer's share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### **Other Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated May 8, 2023 on my consideration of DeSoto Parish Fire District No. 8's internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated May 8, 2023 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Certified Public Accountant  
May 8, 2023

**DESOTO PARISH FIRE DISTRICT NO. 8**  
**13011 HIGHWAY 175**  
**MANSFIELD, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of DeSoto Parish Fire District No. 8's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2021. Please read it in conjunction with the District's financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

The District had net position of \$9,009,895 at year end which represents an increase from the prior year of \$1,122,819.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of the following - Management's Discussion and Analysis (this section), the basic financial statements, and Notes to Financial Statements. These components are described below:

***Basic Financial Statements***

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the District's net position and changes in them. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

## FINANCIAL ANALYSIS OF THE ENTITY

### *Net Position*

Net position may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$9,009,805 as of December 31, 2021.

The District's major assets are its fixed assets of \$1,631,856 representing its investment in capital assets such as land, buildings and improvements, equipment and furniture, less the related debt used to acquire those assets that is still outstanding. The District owed \$-0- at year end on the debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the citizens of the District; consequently, these assets are not available for future spending. Revenues needed to repay the related debt will be provided through tax assessments on property located within the District.

### **DeSoto Parish Fire District No. 8 December 31,**

	<b>2021</b>	<b>2020</b>
Current assets	\$ 10,556,014	\$ 9,621,270
Other assets	760	760
Capital assets	<u>1,631,856</u>	<u>1,944,108</u>
Total Assets	<u>12,188,630</u>	<u>11,566,138</u>
Deferred Outflows of Resources	<u>1,184,935</u>	<u>1,445,637</u>
Current liabilities	132,761	173,418
Noncurrent liabilities	<u>2,274,760</u>	<u>4,236,307</u>
Total liabilities	<u>2,407,521</u>	<u>4,409,725</u>
Deferred inflows of resources	<u>1,956,149</u>	<u>715,374</u>
Net position:		
Invested in capital assets, net of related debt	1,631,856	1,944,108
Reserved for special projects	-	-
Unrestricted	<u>7,378,039</u>	<u>5,942,968</u>
Net Position	<u>\$ 9,009,895</u>	<u>\$ 7,887,076</u>

***Changes in Net Position***

The District's net position increased by \$1,122,819 or 15% during the year ended December 31, 2021. Approximately 90% (\$3,850,152) of the District's total revenue was derived through property taxes, while approximately 5% (\$183,374) was derived through nonemployer pension income. Expenses incurred by the District are primarily for the provision of fire protection and emergency medical treatment to the citizens of the District. Approximately 81% (\$2,560,403) of the District's expenses are for salaries and related payroll taxes and employee benefits.

In 2021 governmental activity revenue exceeded expenses, resulting in an increase in net of \$941,131.

**DeSoto Parish Fire District No. 8's Changes in Net Position  
For the Year Ended December 31,**

	<u>2021</u>	<u>2020</u>
<b>Revenues:</b>		
Program revenues:		
Intergovernmental	\$ 162,254	\$ 161,959
Grants	-	-
General revenues:		
Property taxes	3,850,152	3,682,208
Non employer contribution revenue	183,374	171,234
Interest	3,469	43,588
Other	98,604	67,617
	<u>4,297,853</u>	<u>4,126,606</u>
<b>Expenses:</b>		
Public safety - fire protection	3,175,034	3,879,690
Interest on long-term debt	-	-
	<u>3,175,034</u>	<u>3,879,690</u>
Increase (Decrease) in net position	<u>\$ 1,122,819</u>	<u>\$ 246,916</u>

## **FINANCIAL ANALYSIS OF THE DISTRICT'S INDIVIDUAL FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### ***Governmental Funds***

The focus of the District's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$10,424,013.

Fund balance of \$9,975,362 was unreserved at year end and available for spending in the coming year.

The general fund is the chief operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. The fund balance of the general fund increased by \$941,131 during 2021.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the District complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA - R.S. 39:1301 et seq).

The District's budget was not amended during 2021.

The actual expenditures were \$1,312,799 less than budgeted; and the actual revenues were more than budgeted amounts by \$89,314.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### ***Capital Assets***

The District's investment in capital assets for its governmental activities as of December 31, 2021, totaled \$6,567,891 net of accumulated depreciation of \$4,936,035 leaving a book value of \$1,631,856. This investment in capital assets includes fire stations (land, buildings and improvements), fire trucks, response vehicles, fire fighting and rescue equipment, office equipment and furniture (equipment and furniture).

Actual costs to purchase capital assets were \$0- for the year. Depreciation charges for the year totaled \$312,252.

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

The following economic factors were considered when the budget for the fiscal year ended December 31, 2022 was prepared.

Revenues are expected to stay consistent for 2022.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the finances of the DeSoto Parish Fire District No. 8 for all of the District's citizens, taxpayers, investors, and creditors. The financial report seeks to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Chief William Deloach, DeSoto Parish Fire District No. 8, 13011 Highway 175, Mansfield, Louisiana or by calling (318)872-2453.



**DESOTO PARISH FIRE DISTRICT NO. 8**

Statement of Net Position

December 31, 2021

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 6,311,005
Ad valorem taxes receivable	3,796,358
Prepaid Expenses	448,651
Total Current Assets	<u>10,556,014</u>
<b>Noncurrent Assets</b>	
Deposits	760
Capital Assets, net	1,631,856
Total Noncurrent Assets	<u>1,632,616</u>
Total Assets	<u>12,188,630</u>
<b>Deferred Outflows of Resources</b>	<u>1,184,935</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable and accruals	132,761
Compensated absences payable	-
Total Current Liabilities	<u>132,761</u>
<b>Long Term Liabilities</b>	
Net pension liabilities	2,274,760
Total Long Term Liabilities	<u>2,274,760</u>
Total Liabilities	<u>2,407,521</u>
<b>Deferred Inflows of Resources</b>	<u>1,956,149</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,631,856
Unrestricted	7,378,039
Total Net Position	<u>\$ 9,009,895</u>

The notes to the financial statements are an integral part of this statement.

**DESOTO PARISH FIRE DISTRICT NO. 8**

Statement of Activities

For the Year Ended December 31, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants	Capital Grants and Contributions	
<b>Governmental Activities:</b>				
Public safety-fire protection	\$ 3,175,034	\$ -	\$ -	\$ (3,175,034)
Interest on long term debt	-	-	-	-
Total Governmental Activities	\$ -	\$ -	\$ -	\$ (3,175,034)
<b>General Revenues:</b>				
Taxes				
Ad valorem taxes				3,850,152
State fire insurance rebate				35,514
State revenue sharing				6,490
State supplemental pay				120,250
Interest Earned				3,469
Non-employer pension contribution				183,374
Miscellaneous				98,604
Total General Revenues				4,297,853
Change in Net Position				1,122,819
<b>Net Position, beginning of year</b>				7,887,076
<b>Net Position, end of year</b>				\$ 9,009,895

The notes to the financial statements are an integral part of this statement.

DESOTO PARISH FIRE DISTRICT NO. 8

Balance Sheet  
General Fund  
December 31, 2021

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<b>ASSETS</b>	
Cash	\$ 6,311,005
Ad valorem taxes receivable	3,796,358
Prepaid expenses	448,651
Deposits	<u>760</u>
Total Assets	<u>\$ 10,556,774</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts payable and accruals	<u>\$ 132,761</u>
Total Liabilities	132,761
Fund Balance	
Nonspendable	
Prepaid expenses	448,651
Unassigned	<u>9,975,362</u>
Total Fund Balances	<u>10,424,013</u>
Total Liabilities and Fund Balances	<u>\$ 10,556,774</u>

The notes to the financial statements are an integral part of this statement.

DESOTO PARISH FIRE DISTRICT NO. 8

Reconciliation of Fund Balances on the Balance Sheet  
for Governmental Funds to Net Position of  
Governmental Activities on the Statement of Net Position  
Year Ended December 31, 2021

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Fund Balances - Total Governmental Funds	\$ 10,424,013
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Add: Capital Assets	6,567,891
Deduct: Accumulated Depreciation	(4,936,035)

Certain liabilities, such as debt and pension liability are not due and payable in the current period and therefore are not reported in the funds.

Deduct: Long term debt	-
Pension liability	(2,274,760)
Compensated absences payable	-

Other long term assets are not available to pay for current period expenditures and are deferred in the funds.

Deferred outflows of resources related to net pension liability are not available resources and, therefore, are not reported in the funds.	1,184,935
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Deferred inflows of resources related to net pension liability are not payable from current expendable resources, and, therefore, are not reported in the funds.	<u>(1,956,149)</u>
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Net Position of Governmental Activities	<u>\$ 9,009,895</u>
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The notes to the financial statements are an integral part of this statement.

DESOTO PARISH FIRE DISTRICT NO. 8

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Fund  
For the Year Ended December 31, 2021

	<u>General Fund</u>
<b>Revenues:</b>	
Ad valorem taxes	\$ 3,850,152
Intergovernmental revenues:	
State fire insurance rebate	35,514
State revenue sharing	6,490
State supplemental pay	120,250
Interest earned	3,469
Miscellaneous	<u>98,604</u>
Total Revenues	<u>4,114,479</u>
<b>Expenditures:</b>	
Current:	
Fire protection	3,173,348
Debt service:	
Principal	-
Interest	<u>-</u>
Total Expenditures	<u>3,173,348</u>
Net change in fund balance	941,131
Fund Balances, Beginning of Year	<u>9,482,882</u>
Fund Balances, End of Year	<u><u>\$ 10,424,013</u></u>

**The notes to the financial statements are an integral part of this statement.**

DESOTO PARISH FIRE DISTRICT NO. 8

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2021

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Amounts reported for governmental activities in the statement of activities are different because:

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 941,131</b>
Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$312,252) exceeds capital outlay (\$-0-)	(312,252)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment of debt reduces long-term liabilities in the statement of net position and does not result in an expense in the statement of activities	-
Decrease in compensated absences payable	33,870
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:	
Decrease in pension expense	276,696
Nonemployer pension contribution revenue	<u>183,374</u>
Change in Net Position of Governmental Activities	<u><u>\$1,122,819</u></u>

The notes to the financial statements are an integral part of this statement.



## DESOTO PARISH FIRE DISTRICT NO. 8

Notes to Financial Statements

December 31, 2021

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### **INTRODUCTION**

DeSoto Parish Fire District No. 8 ("the District") was created by the DeSoto Parish Police Jury by ordinance as provided under the Louisiana Revised Statutes 40:1496. The District is a component unit of the DeSoto Parish Police Jury and is governed by a board of commissioners, who are appointed by the DeSoto Parish Police Jury. The purpose of the District is to provide fire protection and emergency services to the residents of the District.

#### **1. *Summary of Significant Accounting Policies:***

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June, 1999 the GASB issued Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and Statement 35, *Basic Financial Statements - and Management's Discussion and Analysis for Public Colleges and Universities*. These statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

#### **Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity is financial accountability. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

The District is a component unit of the DeSoto Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on the District.

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

## **Government-Wide and Fund Financial Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all nonfiduciary activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function segment, or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function, segment or component unit. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District consists of one program - fire protection.

Governmental fund financial statements are provided for the District. The District consists of one governmental fund.

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Government-Wide Accounting - In accordance with Government Accounting Standards Board Statement 34, the District has presented a Statement of Net Position and a Statement of Activities for the District as a whole. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to the government-wide statements are as follows:

*Eliminating Internal Activity* - Interfund receivables and payables are eliminated in the Statement of Net Position.

*Application of FASB Statements and Interpretations* - Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

*Capitalizing Assets* - Tangible or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, and buildings are recorded at their historical costs and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position.

*Program Revenues* - The Statement of Activities presents two categories of program revenues - (1) charges for services; and (2) operating grants and contributions.

Charges for services are those revenues arising from exchange or exchange-like transactions with parties that purchase, use or directly benefit from the program goods, services or privileges. Service charges (structure fees) are reported as charges for services.

Operating grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for operating purposes of a program. Supplemental salaries paid to the firefighters by the State of Louisiana, state revenue sharing, and fire insurance rebates are reported as operating grants and contributions.

*Restricted Net Position* - Restricted net position are those for which a constraint has been imposed either externally or by law. Resources restricted for a specific purpose are exhausted before unrestricted net assets are used.

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements - The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. 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. Principal revenue sources considered to be susceptible to accrual include property taxes, service fees, and interest on investments. Other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modification to the accrual basis of accounting include:

Interest on general long-term obligations is recognized when paid.

### **Fund Accounting**

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including collection and disbursement of specific or legally restricted monies, the acquisition, construction or improvement of capital assets, and the servicing of long-term debt. Governmental funds of the District include:

General Fund - the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

### **Budget and Budgetary Control**

A budget for the ensuing year is prepared by the fire chief and approved by the board of commissioners prior to December 31st of each year. The proposed budget is prepared on a cash basis of accounting that is a comprehensive basis of accounting other than Generally Accepted Accounting Principles. The budget is legally adopted and amended, as necessary, by the board of commissioners.

The board reserves all authority to make changes to the budgets. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The budget was not amended in 2021.

Formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

### **Cash and Cash Equivalents**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. 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 other state of the United States, or under the laws of the United States.

### **Use of Estimates**

The preparation of financial statements generally requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during a reporting period. Actual results could differ from those estimates.

### **Capital Assets**

The District's assets are recorded at historical cost. Capital assets are recorded as expenditures in the governmental financial statements. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are charged to expense as incurred. Depreciation expense is recorded in the government-wide financial statements using the straight-line method over the useful lives of the assets. All assets of the District are reported in the accompanying financial statements.

### **Long-term obligations**

In the government-wide statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability reported on the Statement of Net Position. In the fund financial statements, debt principal payments of the governmental funds are recognized as expenditures when paid.

### **Receivables**

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business.

Governmental fund type receivables consist primarily of amounts due for property taxes.

## Net Position/Fund Balances

In the Statement of Net Position, the differences between a government's assets and liabilities are recorded as net position. The three components of net position are as follows:

*Invested in Capital Assets, Net of Related Debt* - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction, or improvement of capital assets.

*Restricted Net Position* - This category records net position that is restricted by external sources such as banks or by law are reported separately as restricted net assets.

*Unrestricted Net Position* - This category represents net position not appropriable for expenditures or legally separated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

*Nonspendable* - This classification includes amounts that cannot be spent that are not in spendable form or legally required to be maintained intact.

*Unassigned* - This classification is the residual fund balance for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes.

## 2. Funds on Deposit in Banks

At December 31, 2021, the District has cash and cash equivalents as follows:

	Bank Balances	Book Balances
Interest-bearing demand deposit	\$ 262,479	\$ 234,337

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank that is mutually acceptable to both parties. At December 31, 2021, deposits of \$262,479 were collateralized by FDIC insurance.

**3. Ad Valorem Taxes:**

Ad valorem taxes are collected by the DeSoto Parish Sheriff and remitted to the District on a monthly basis. For the year ended December 31, 2021, taxes of 11.67 mills were levied and dedicated to maintenance and operations. Total taxes levied were \$3,877,123.

**4. Funds on Deposit with LAMP:**

In addition to a bank, the District also had funds on deposit with Louisiana Asset Management Pool (LAMP). LAMP was established and is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. LAMP accepts deposits from public entities. Upon the making of an investment, the entity becomes a member of LAMP, Inc. similar to a corporate shareholder, and maintains certain rights with respect to the governance of the corporation. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality vehicles for each residential and commercial structure. The LAMP portfolio includes only securities and obligations for which local governments are authorized to invest. LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, U.S. Government, or one of its agencies. The dollar weighted average portfolio of LAMP assets is restricted to no more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their balances. Funds on deposit with LAMP at December 31, 2021 totaled \$6,076,668.

**5. Receivables:**

A summary of receivables at December 31, 2021 follows:

	Receivable	Allowance Account	Total
Ad valorem Taxes	<u>\$3,796,358</u>	<u>\$ -</u>	<u>\$ 3,796,358</u>
Total	<u><u>\$3,796,358</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,796,358</u></u>



6. **Capital Assets:**

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Net Additions</u>	<u>Ending Balance</u>
Government activities:			
Capital assets, not being depreciated - Land	\$ 39,472	\$ -	\$ 39,472
Capital assets, being depreciated:			
Buildings & improvements	1,518,711	-	1,518,711
Equipment & furniture	5,009,708	-	5,009,708
Retirements	-	-	-
Total	<u>6,528,419</u>	<u>-</u>	<u>6,528,419</u>
Less accumulated depreciation			
Buildings & improvements	(641,679)	(40,382)	(682,061)
Equipment & furniture	(3,982,104)	(271,870)	(4,253,974)
Retirements	-	-	-
Total	<u>(4,623,783)</u>	<u>(312,252)</u>	<u>(4,936,035)</u>
Net capital assets	<u>\$ 1,944,108</u>	<u>\$ (312,252)</u>	<u>\$ 1,631,856</u>

Total additions for the year ended December 31, 2021 were \$0-.

There were no dispositions for the year ended December 31, 2021.

Depreciation expense for the year ended December 31, 2021 was \$312,252.

7. **Firefighters' Retirement System of Louisiana (FRS):**

The District contributes to FRS which is a cost-sharing multiple employer defined benefit pension plan. FRS was established by Act 434 of 1979 to provide retirement, disability and survivor benefits to firefighters in Louisiana.

Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana revised Statutes 11:2251 - 11:2272, which should be reviewed for more complete information.

Membership is mandatory for any full-time firefighters or any person in a position as defined in the municipal fire and police civil service system who is employed by a fire department of any parish, or fire prevention district of the State of Louisiana, except Orleans and East Baton Rouge who earns at least \$375/month excluding state supplemental pay. Employees of the system are eligible, at their option, to become members of the System. Persons must be under the age of fifty to be eligible for membership unless they become members through merger.

FRS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.lafirefightersret.com](http://www.lafirefightersret.com) or at [www.lla.la.us](http://www.lla.la.us).

### *Benefits Provided*

The following is a description of the plan and its benefits and is provided for general information only. Participants should refer to the appropriate statutes for more complete information.

### **Retirement**

Any member can retire providing he/she meets one of the following criteria:

- At any age                                   after 25 years of creditable service provided they have been a member of FRS for at least one year
- At age 55                                    after 12 years of creditable service
- At age 50                                    after 20 years of creditable service

Benefit rates for membership, are three and one-third percent of average final compensation per years of creditable service not to exceed 100% of average final compensation.

### **Optional Allowances**

Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected, which is the actuarial equivalent of the maximum benefit.

**Option 1** - If the member dies before he has received any annuity payments, the present value of his member's annuity as it was at the time of retirement, the balance is paid to the beneficiary.

**Option 2** - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

**Option 3** - Upon retirement the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

**Option 4** - Upon retirement, the member elects to receive a board approved benefit payable to the member, the member's spouse, or the member's dependent child, which is actuarially equivalent to the maximum benefit.

### **Initial Benefit Option Plan**

This option is available only to regular retirees who have not participated in the Deferred Retirement Option Plan. Under this option, members may receive an initial benefit plus a reduced monthly retirement allowance which, when combined, equal the actuarially equivalent amount of the maximum retirement allowance. The initial benefit may not exceed an amount equal to thirty-six payments of the member's maximum retirement allowance. The initial benefit can be paid either as a lump-sum payment or placed in an account called an "initial benefit account" with interest credited thereto and monthly payments made from the account.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 1/2% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the latter of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

### **Deferred Retirement Option Plan (DROP)**

In lieu of terminating employment and accepting a service retirement allowance, any member of the system who has at least twenty-five years of creditable service and who is eligible to receive a service retirement allowance may elect to participate in DROP for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates and neither the employee nor employer contributions are payable. Compensation and creditable service will remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into DROP account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account, or he may elect any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the fund during the period of participation will begin to be paid to the retiree. If employment is not terminated at the end of thirty-six months, payment into the account ceases; and the member resumes active contribution membership in the system. If the participant dies during the period of participation in the program, a lump-sum payment equal to his/her balance is paid to his/her named beneficiary or, if none, to his/her estate; in addition, normal survivor benefits are payable to survivors of retirees.

### **Survivor's Benefits**

Benefits are payable to survivors of a deceased member who dies and is not eligible for retirement as follows: If any member is killed in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3% of the deceased member's average final compensation multiplied by his/her total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200/month or 10% of average final compensation (not to exceed 100% of average final compensation) until reaching the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or

mentally retarded in which case the benefit is payable regardless of age. If a deceased member has no surviving spouse, but at least one minor child, each child is entitled to receive 40% of the deceased's average final compensation, not to exceed an aggregate of 60% of average final compensation.

### **Cost-of-Living Increases**

Under the provisions of R.S. 11:246 and 11:2260A(7), the Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost-of-living adjustment (COLA) increase of up to 3% of their current benefit, and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earning (R.S. 11:243). In lieu of these cost-of-living adjustments, pursuant to R.S. 11:241, the board may also grant an increase in the form of "XX(A=B)" where "X" is any amount up to \$1/month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30, of the initial year of such increase.

### **Contributions**

Employer contributions are actuarially determined each year. For the measurement date of June 30, 2021, employer and employee contributions for members above the poverty line were 32.25% and 10%, respectively. The employer and employee contribution rates for those members below the poverty line were 34.25% and 8.0%, respectively.

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, but are not considered special funding situations.

The District's contractually required composite contribution rate for the year ended December 31, 2021, was 33.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. With an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$539,774 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of \$2,274,760 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was .641189% which was a decrease of .030726% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the District recognized pension expense of \$263,078.

As of December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,462	\$ 204,278
Changes in assumption	492,924	-
Net difference between projected and actual earnings on pension plan investments	-	1,380,457
Changes in employer's portion of beginning net pension liability	363,054	342,573
Differences between employer contributions and proportionate share of employer contributions	17,411	28,841
Subsequent Measurement Contributions	279,084	-
Total	\$ 1,184,935	\$ 1,956,149

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the pension expense as follows:

Year ended June 30:	
2022	\$ (205,098)
2023	(211,395)
2024	(289,036)
2025	(405,793)
2026	3,391
2027	57,362
Total	\$ (1,050,569)

### Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 is as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	7 years
Investment Rate of Return	6.9 net of investment expense

Mortality

The mortality rate assumption used was based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Salary Increases, including inflation (2.5%) and merit

<b>Years of Service</b>	<b>Salary Growth Rate</b>
1-2	14.10%
3-24	14.10%
25 & Over	5.20%

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement System's Actuarial Committee, taking into consideration the recommendation of the actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected nominal rate of return was 6.9% as of June 30, 2021. Best estimates of real rates of return for each major asset class included FRS' target asset allocation as of June 30, 2021 are



summarized in the following table:

<b>Asset Class</b>	<b>Long-term Target Asset Allocation</b>	<b>Expected Portfolio Real Rate of Return</b>
Fixed Income	26%	4.12%
Equity	56%	6.84%
Alternatives	18%	7.42%
Others	0%	0.00%
Total	100%	

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 6.9%, as well as what the District's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (5.9%) or one percentage point higher (7.90%) than the current rate:

	1.0% Decrease (5.9)	Current Discount Rate (6.9%)	1.0% Increase (7.9%)
Employer's proportionate share of net pension liability	\$ 4,363,959	\$ 2,274,760	\$ 532,390

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighter's Retirement System Annual Report at [www.lafirefightersret.com](http://www.lafirefightersret.com) or at [www.lla.state.la.us](http://www.lla.state.la.us).

**7. Per Diem Paid to Commissioners:**

No per diem was paid to Commissioners for the year ended December 31, 2021.

**8. Risk Management:**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation. There were no significant reductions in insurance coverage from the prior year.

**9. Reconciliation of Differences between the Budgetary-Based Fund Financial Statements and the GAAP-Based Fund Financial Statements:**

As discussed in Note 1, the budget is prepared on a cash basis of accounting. However, the modified accrual basis of accounting is used for fund financial reporting purposes in accordance with GAAP. Exhibit 1 on page 28 is a reconciliation of revenues and expenditures recognized in accordance to the budgetary basis (cash basis) for the year ended December 31, 2021.

**10. Lease Commitments:**

During the year ended December 31, 2017, the District paid DeSoto EMS \$461,306 for space in its building in Pelican, Louisiana. A lease for this property was executed and is effective November 1, 2017. The lease cost is being amortized over the life of the lease, a period of 40 years. The lease requires the District to pay for one-half (1/2) of all charges for gas, electricity, water and other utilities consumed by or furnished to the District. The unamortized lease balance of the lease at December 31, 2021 totaled \$413,254.

**Subsequent Events:**

Management has evaluated subsequent events through May 8, 2023, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

**DESOTO PARISH FIRE DISTRICT NO. 8**  
 Budgetary/GAAP Reporting Reconciliation  
 December 31, 2021

	Actual on GAAP Basis	General Fund Adjustment to Budgetary Basis	Actual on Budgetary Basis
<b>Revenues:</b>			
Ad valorem taxes	\$ 3,850,152	\$ (138,984)	\$ 3,711,168
Intergovernmental		-	
State fire insurance rebate	35,514	-	35,514
State revenue sharing	6,490	-	6,490
State supplemental pay	120,250	(120,250)	-
Interest earned	3,469	-	3,469
Miscellaneous	98,604	(18,931)	79,673
Total revenues	<u>4,114,479</u>	<u>(278,165)</u>	<u>3,836,314</u>
<b>Expenditures:</b>			
General government	3,173,348	(139,147)	3,034,201
Debt service	-	-	-
Total expenditures	<u>3,173,348</u>	<u>(139,147)</u>	<u>3,034,201</u>
Changes in Fund Balance before Transfers	941,131	(139,018)	802,113
Transfers			
Transfers to other entities	-	-	-
Excess of Revenues over Expenditures	941,131	<u>\$ (139,018)</u>	<u>\$ 802,113</u>
Fund Balance, Beginning of Year	<u>9,482,882</u>		
Fund Balance, End of Year	<u>\$ 10,424,013</u>		

**DESOTO PARISH FIRE DISTRICT NO. 8**  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
(Cash Basis)  
General Fund  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Budgetary Basis</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Ad valorem taxes	\$3,600,000	\$3,600,000	\$ 3,711,168	\$ 111,168
Intergovernmental				
State fire insurance rebate	-	-	35,514	35,514
State revenue sharing	3,200	3,200	6,490	3,290
State supplemental pay	-	-	-	-
Interest earned	43,800	43,800	3,469	(40,331)
Miscellaneous	100,000	100,000	79,673	(20,327)
Total revenue	<u>3,747,000</u>	<u>3,747,000</u>	<u>3,836,314</u>	<u>89,314</u>
<b>Expenditures:</b>				
Personal services	2,850,000	2,850,000	2,429,955	420,045
Operating services	360,000	360,000	464,800	(104,800)
Materials and supplies	250,000	250,000	114,858	135,142
Travel and other	50,000	50,000	24,588	25,412
Capital outlay	837,000	837,000	-	837,000
Total fire protection	<u>4,347,000</u>	<u>4,347,000</u>	<u>3,034,201</u>	<u>1,312,799</u>
Net change in fund balance	(600,000)	(600,000)	802,113	1,402,113
<b>Fund Balances, Beginning of Year</b>	<u>9,482,882</u>	<u>9,482,882</u>	<u>9,482,882</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$8,882,882</u>	<u>\$8,882,882</u>	<u>\$ 10,284,995</u>	<u>\$1,402,113</u>

**DESOTO PARISH FIRE DISTRICT NO. 8**  
 Schedule of Employer's Share of Net Pension Liability  
 Year Ended December 31, 2021

Year Ended Jun 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
2015	0.62375%	\$ 3,366,433	\$ 1,325,580	254.00%	72.45%
2016	0.61666%	\$ 4,033,540	\$ 1,389,553	288.00%	68.16%
2017	0.62312%	\$ 3,571,618	\$ 1,607,807	222.00%	73.55%
2018	0.64946%	\$ 3,735,753	\$ 1,507,117	248.00%	74.76%
2019	0.69372%	\$ 4,344,037	\$ 1,403,970	309.00%	64.70%
2020	0.61116%	\$ 4,236,307	\$ 1,490,432	284.00%	72.60%
2021	0.64189%	\$ 2,274,760	\$ 1,635,257	139.00%	86.80%

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

**DESOTO PARISH FIRE DISTRICT NO. 8**

Schedule of Employer Contributions  
Year Ended December 31, 2021

<u>Year Ended December 31</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 375,158	\$ 375,158	\$ -	\$ 1,325,580	28.4700%
2016	\$ 367,069	\$ 367,069	\$ -	\$ 1,389,553	26.2500%
2017	\$ 416,636	\$ 416,636	\$ -	\$ 1,607,807	25.9000%
2018	\$ 398,585	\$ 398,585	\$ -	\$ 1,507,117	26.5000%
2019	\$ 450,159	\$ 450,159	\$ -	\$ 1,403,970	32.0600%
2020	\$ 438,727	\$ 438,727	\$ -	\$ 1,490,432	29.4400%
2021	\$ 539,774	\$ 539,774	\$ -	\$ 1,635,257	33.0100%

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

**DESOTO PARISH FIRE DISTRICT NO. 8**

Note to Retirement System Schedules  
Year Ended December 31, 2021

Firefighter's Retirement System

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2021.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2021.

**DESOTO PARISH FIRE DISTRICT NO. 8**

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

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Agency Head: William DeLoach, Fire Chief	
Salary	<u>\$ 94,006</u>
Payroll Taxes	<u>\$ 853</u>
Retirement	<u>\$ 13,003</u>
Supplemental Pay	<u>\$ 4,750</u>
Insurance	<u>\$ 5,920</u>
Travel	<u>\$ -</u>





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## 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*

Board of Commissioners  
DeSoto Parish Fire District No. 8  
Mansfield, Louisiana

I 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 of DeSoto Parish Fire District No. 8 as of and for the year ended December 31, 2021 and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated May 8, 2023.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered DeSoto Parish Fire District No. 8's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

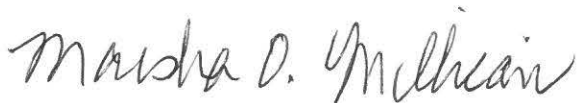
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 DeSoto Parish Fire District No. 8's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are reported in the accompanying Schedule of Findings as Finding #2021-1 and Finding #2021-2.

## Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute this report is distributed by the Louisiana Legislative Auditor as a public document.



Certified Public Accountant

May 8, 2023

**DESOTO PARISH FIRE DISTRICT NO. 8**

Corrective Action Taken on Prior Year Findings

Year Ended December 31, 2021

Finding #2020-1: The District is not in compliance with the requirements of the Firefighters Retirement System.

Status: Unresolved.

## DESOTO PARISH FIRE DISTRICT NO. 8

### Schedule of Findings

For the Year Ended December 31, 2021

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. Two instances of noncompliance material to the financial statements of the District were disclosed during the audit.

#### Finding/Noncompliance

Finding #2021 - 1: The District did not file its financial statements with the Legislative Auditor within the time frame required by state law.

Criteria: State law requires the District to file financial statements with the Legislative Auditor within six months after the fiscal year end.

Condition: The District did not file financial statements with the Legislative Auditor within six months after the fiscal year end.

Cause: Unknown.

Effect: The District is not in compliance with state law.

Recommendation: I recommend the District comply with state law.

Management's Response: We concur with the finding. We will file our financial statements with the Louisiana Legislative Auditor within the time frame required by state law in the future.

Finding #2021 - 2: The District is not in compliance with the requirements of the Firefighters Retirement System.

Criteria: Monthly reports to the Firefighters Retirement System are required to be filed and paid no later than the twentieth of the immediate following month.

Condition: Monthly reports were filed and paid late on three (3) occasions.

Cause: Unknown.

Effect: The District is not in compliance with the requirements of the Firefighters Retirement System.

Recommendation: I recommend the District file and pay monthly reports to the Firefighters Retirement System no later than the twentieth of the immediate following month.

Management's Response: We concur with the finding. We will comply with the requirements of the Firefighters Retirement System.



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Board of Commissioners  
DeSoto Fire District No. 8  
Mansfield, Louisiana

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Management of DeSoto Fire District No. 8 (the District) is responsible for those C/C areas identified in the SAUPS.

The Board of Commissioners of DeSoto Fire District No. 8 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 the 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 findings are as follows:

### *Written Policies and Procedures*

1. I obtained and inspected the entity's written policies and procedures and observed 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 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 reimbursements**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibition 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 a 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.

**Procedure Results - The entity has no written policies and procedures that address the categories described above.**

**Management's Response - We are in the process of writing and adopting written policies and procedures.**

## ***Board or Finance Committee***

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2. I obtained and inspected 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) I observed 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.

**No exceptions were noted as a result of this procedure.**

- b) For those entities reporting on the governmental accounting model, I observed 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, I observed that the minutes referenced or included financial activity relating to the public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**Procedure Results - Minutes of monthly meetings did not reference budget-to- actual comparisons.**

**Management's Response - We will include budget-to-actual comparisons in our monthly meetings in the future.**

- c) For governmental entities, I obtained the prior year audit report and observed 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, observed 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.

**No exceptions were noted as a result of this procedure.**

## ***Bank Reconciliations***

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3. I obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. I asked management to identify the entity's main operating account. I selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). I randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed 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);

**No exceptions were noted as a result of this procedure.**

- 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

**Procedure Results - Bank reconciliations include no evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.**

**Management's Response - We will have a member of management/board member review bank reconciliations in the future.**

- 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.

**No exceptions were noted as a result of this procedure.**

***Collections (excluding electronic funds transfers)***

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- 4. I obtained 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. I randomly selected 1 deposit site (there is only 1).

**No exceptions were noted as a result of this procedure.**

- 5. For each deposit site selected, I obtained a listing of collection locations and management's representation that the listing is complete. I randomly selected one collection location for each deposit site (i.e., 1 collection location for 1 deposit site, obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, I inquired of employees about their job duties) at each collection location, and observed 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.

**The entity collects no cash.**

- 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.

**The entity collects no cash.**



- 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.

**The entity collects no cash.**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**The entity collects no cash.**

- 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.

**The entity has no bond policy and feels it is unnecessary inasmuch as they accept little to no cash.**

- 7. I randomly selected two deposit dates for each of the 2 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 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**This section is not applicable to this entity.**

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**No exceptions were noted as a result of this procedure.**

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**No exceptions were noted as a result of this procedure.**

- 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).

**No exceptions were noted as a result of this procedure.**

- e) Traced the actual deposit per the bank statement to the general ledger.

**No exceptions were noted as a result of this procedure.**

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

---

- 8. I obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. I selected 1 location since all payments are processed at a single location.

**No exceptions were noted as a result of this procedure.**

- 9. For each location selected under #8 above, I obtained 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.

**No exceptions were noted as a result of this procedure.**

- b) At least two employees are involved in processing and approving payments to vendors.

**No exceptions were noted as a result of this procedure.**

- 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.

**No exceptions were noted as a result of this procedure.**

- 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

**No exceptions were noted as a result of this procedure.**

- 10. For each location selected under #8 above, I obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's

representation that the population is complete. I randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:

- a) Observed 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.

**No exceptions were noted as a result of this procedure.**

- b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**No exceptions were noted as a result of this procedure.**

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

---

11. Obtain from management a listing of all 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.

**A list of all credit, debit, fuel and other cards was obtained with management's assertion that the list is complete.**

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

- a) Observed 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 received 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.]

**No exceptions were noted as a result of this procedure.**

- b) Observed that finance charges and late fees were not assessed on the selected statements.

**No exceptions were noted as a result of this procedure.**

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 practitioners 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.

**No exceptions were noted as a result of this procedure.**

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

---

14. I obtained 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 selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**No exceptions were noted as a result of this procedure.**

b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**No exceptions were noted as a result of this procedure.**

c) Observed 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).

**No exceptions were noted as a result of this procedure.**

d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**No exceptions were noted as a result of this procedure.**

## ***Contracts***

---

15. I obtained 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.* I obtained management's representation that the listing is complete. I randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**No exceptions were noted as a result of this procedure.**

- b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

**No exceptions were noted as a result of this procedure.**

- c) If the contract was amended (e.g., change order), observed 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).

**No exceptions were noted as a result of this procedure.**

- d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained 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.

**No exceptions were noted as a result of this procedure.**

## ***Payroll and Personnel***

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16. I obtained a list of employees and officials employed during the fiscal period and management's representation that the listing is complete. I randomly selected 5 employees or officials, obtained related salaries and personnel files, and agreed paid salaries to authorized salaries/ pay rates in the personnel files.

**No exceptions were noted as a result of this procedure.**

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

- a) Observed 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.

**No exceptions were noted as a result of this procedure.**

- b) Observed that supervisors approved the attendance and leave of the selected employees or officials.

**No exceptions were noted as a result of this procedure.**

- c) Observed that any leave accrued or taken during the pay period is reflected in the entity's accumulative leave records.

**No exceptions were noted as a result of this procedure.**

- d) Observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**No exceptions were noted as a result of this procedure.**

- 18. I obtained 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 employees' or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or official's personnel files, and agree the termination payment to entity policy.

**No exceptions were noted as a result of this procedure.**

- 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 the required deadlines.

**No exceptions were noted as a result of this procedure.**

### ***Ethics***

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- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, I obtained ethics documentation from management, and:
  - a) Observed that the documentation demonstrates each employee/official completed on hour of ethics training during the fiscal period.

**No exceptions were noted as a result of this procedure.**

- b) Observed 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.

**No exceptions were noted as a result of this procedure.**

***Debt Service***

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- 21. I obtained 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.

**The entity has no bonds/notes and other debt instruments.**

- 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).

**The entity has no bonds/notes and other debt instruments.**

***Fraud Notice***

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- 23. Obtain a listing of misappropriation 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 to the district attorney of the parish in which the entity is domiciled.

**No exceptions were noted as a result of this procedure.**

- 24. Observe 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.

**No exceptions were noted as a result of this procedure.**

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

---

- 25. Perform the following procedures, **verbally discuss the results with management, and report, "I performed the procedure and discussed the results with management."**

- a) I Obtained and inspected the entity's most recent documentation that it has backed up its critical data



data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed 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.

**I performed the procedures and discussed the results with management.**

- b) Obtained and inspected 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.

**Procedure Results - There is no evidence that the entity has tested that backups can be restored.**

**Management's Response - We will regularly test that backups can be restored.**

- c) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed 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.

**I performed the procedures and discussed the results with management.**

### ***Sexual Harassment***

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

**No exceptions were noted as a result of this procedure.**

- 27. Observed 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).

**Procedure Results - There is no evidence that the entity has posted sexual harassment policies on its website.**

**Management's Response - We will post sexual harassment policies on our website and on the premises in the future.**



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

**Procedure Results - The entity did not file annual sexual harassment report.**

**Management's Response - We will file annual sexual harassment report in the future.**

- a) Number and percentage of public servants in the agency who have completed the training requirements.;

**See above response.**

- b) Number of sexual harassment complaints received by the agency;

**See above response.**

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

**See above response.**

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

**See above response.**

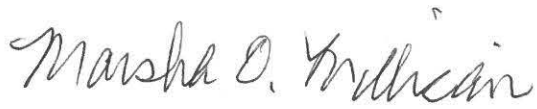
- e) Amount of time it took to resolve each complaint.

**See above response.**

I was engaged by the District to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

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

A handwritten signature in cursive script that reads "Marsha O. Yellicott".

Certified Public Accountant

May 8, 2023