

Financial Report

Terrebonne Parish Fire District No. 10
Theriot, Louisiana

December 31, 2022

Financial Report

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Fire District No. 10,
Theriot, Louisiana.

Opinion

We have audited the accompanying financial statements of the governmental activities and General Fund of Terrebonne Parish Fire District No. 10 (the "District"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of December 31, 2022 and the respective changes in net position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the 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 within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 and *Government 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 and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10 and the schedules on pages 48 through 50 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 economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 51 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. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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*, we have also issued our report dated May 25, 2023 on our consideration of Terrebonne Parish Fire District No. 10's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.



Certified Public Accountants.

Houma, Louisiana,
May 25, 2023.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Terrebonne Parish Fire District No. 10

December 31, 2022

Management’s Discussion and Analysis of the Terrebonne Parish Fire District No. 10’s (the “District”) financial performance presents a narrative overview and analysis of the District’s financial activities for the year ended December 31, 2022. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow in this section.

FINANCIAL HIGHLIGHTS

The District’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$1,349,673 (net position), which represents a 33.36% decrease from last fiscal year.

The District’s revenue increased \$70,471 (or 5.87%) primarily due to increases in intergovernmental revenues.

The District’s expenses increased \$135,556 (or 11.62%) primarily due to increases in personal services.

The District did not have a deficit fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District’s financial statements. The District’s annual report consists of four parts: (1) management’s discussion and analysis (this section); (2) financial statements; (3) supplemental information; and (4) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the District.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The governmental activity of the District is public safety which is comprised of various programs that include construction, maintenance, and operation of fire protection facilities and the prevention and extinguishment of fires.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the District are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintained two individual governmental funds during the year. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, and Debt Service Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 17 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,349,673. A large portion of the District's net position (177.59%) reflects its net investment in capital assets (e.g., land; buildings and improvements; office furniture, fixtures and equipment; trucks, machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	December 31,		Dollar
	2022	2021	Change
Current and other assets	\$ 1,557,371	\$ 1,441,892	\$ 115,479
Capital assets	2,481,878	2,592,524	(110,646)
Deferred outflows of resources	377,468	160,336	217,132
Total assets and deferred outflows of resources	4,416,717	4,194,752	221,965
Current and other liabilities	118,215	99,171	19,044
Long-term liabilities	1,024,564	547,492	477,072
Deferred inflows of resources	1,924,265	1,522,810	401,455
Total liabilities and deferred inflows of resources	3,067,044	2,169,473	897,571
Net position:			
Net investment in capital assets	2,396,878	2,427,524	(30,646)
Restricted	20,053	30,417	(10,364)
Unrestricted	(1,067,258)	(432,662)	(634,596)
Total net position	\$ 1,349,673	\$ 2,025,279	\$ (675,606)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities decreased the District's net position by \$675,606. Key elements of this decrease are as follows:

Condensed Statements of Activities

	For the Year Ended December 31,		Dollar	Total
	2022	2021	Change	Percent Change
Revenues:				
Taxes	\$ 971,167	\$ 1,033,266	\$ (62,099)	-6.01%
Intergovernmental:				
FEMA	165,349	11,070	154,279	1393.67%
State revenue sharing	16,029	17,475	(1,446)	-8.27%
Fire insurance tax	28,538	15,594	12,944	83.01%
Supplemental pay	34,846	38,308	(3,462)	-9.04%
Miscellaneous	55,094	84,839	(29,745)	-35.06%
Total revenues	<u>1,271,023</u>	<u>1,200,552</u>	<u>70,471</u>	5.87%
Expenses:				
General government	54,905	74,992	(20,087)	-26.79%
Public safety	1,242,939	1,084,250	158,689	14.64%
Debt service	4,287	7,333	(3,046)	-41.54%
Total expenses	<u>1,302,131</u>	<u>1,166,575</u>	<u>135,556</u>	11.62%
Decrease in net position	(31,108)	33,977	(65,085)	-191.56%
Net position:				
Beginning of year	2,025,279	1,991,302	33,977	1.71%
Restatement	(644,498)	-	(644,498)	0.00%
Beginning of year, as restated	<u>1,380,781</u>	<u>1,991,302</u>	<u>(610,521)</u>	-30.66%
End of year	<u>\$ 1,349,673</u>	<u>\$ 2,025,279</u>	<u>\$ (675,606)</u>	-33.36%

In 2022, the District's tax revenue decreased primarily due to a decrease in property assessments. Intergovernmental revenue increased primarily due to FEMA reimbursements received. Public safety expenses increased primarily due to increases in repairs and maintenance, due to damages from Hurricane Ida. Debt service expenses decreased due to a decrease in interest expense as the average principal balance of the long-term debt has decreased.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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 are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$494,065, which is an increase of \$24,292 in comparison with the prior year. Of the total fund balance, \$21,144 is restricted for debt service, and \$472,921 is available for spending at the District's discretion.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$472,921. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the District's General Fund increased by \$35,682 during the current fiscal year. This increase was primarily due to increases in intergovernmental revenue.

The Debt Service Fund has a total fund balance of \$21,114. The decrease in fund balance of \$11,390 was primarily due to decreases in ad valorem tax revenue.

General Fund Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to align budgeted revenues and expenditures with actual.

The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- FEMA revenues were increased \$165,349 to appropriately reflect the amounts received from FEMA reimbursements.
- Fire insurance tax revenues were increased by \$13,038 to appropriately reflect the amount received from Terrebonne Parish's 2% fire insurance tax distribution.
- Miscellaneous revenues were increased by \$25,157 to reflect the revenue received.

Expenditures

- Personal services increased by \$66,593 to accurately reflect payroll and benefits related expenses incurred by the District.
- Repairs and maintenance increased by \$78,438 to accurately reflect expected maintenance on the station and vehicles.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND (Continued)**General Fund Budgetary Highlights (Continued)**

During the year, revenues were greater than budgetary estimates and expenditures were greater than budgetary estimates. See Exhibit E for a comparison of budgeted and actual revenue and expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The District's investment in capital assets for its governmental activities as of December 31, 2022, amounts to \$2,481,878 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, office furniture, fixtures and equipment, trucks, machinery and equipment are as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 65,967	\$ 65,967
Buildings and improvements	2,737,041	2,698,966
Office furniture, fixtures, and equipment	17,868	17,179
Trucks, machinery and equipment	<u>1,908,215</u>	<u>1,888,490</u>
Totals	<u>\$ 4,729,091</u>	<u>\$ 4,670,602</u>

Major capital asset additions during the current fiscal year included station renovations in the amount of \$38,075 and the purchase of automated chest compression machines for \$22,040.

Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

Long-term Obligations

As of December 31, 2022, the District had \$85,000 in general obligation bonds payable, that were paid down from prior year's balance of \$165,000 by a total of \$80,000 in principal payments. See further explanation of these obligations in Note 8, Exhibit F of this report. The net pension liability was increased by \$374,201 during 2022 to a balance of \$819,826 as of December 31, 2022. More detailed information about the District's net pension liability is presented in Note 9, Exhibit F of this report. Other post-employment benefit obligations decreased \$511,675 to \$182,955 as of December 31, 2022 to reflect actuarial calculated balances. More detailed information about the District's other post-employment benefits is presented in Note 9, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2022 assessment, which the District will receive, for the most part, in January 2023. The 2022 assessment of 23 mills is construction, maintenance and operation of the fire protection facilities and 2 mills for debt service. Ad valorem taxes are projected to remain at \$850,000 because of reductions in assessed property.
- Salaries and wages to increase due to a 2% state mandated increase for all firemen with three or more years of service.
- Group insurance expenses are estimated to increase by 1%.
- Property, auto, and liability insurance is expected to increase to the \$70,000 - \$80,000 range due to industry increases and the addition of a vehicle.
- Repairs will be made as funding will allow.
- No capital expenditures are planned in the budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Fire District No. 10, 1767 Bayou Dularge Road, Theriot, Louisiana 70397.

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**Terrebonne Parish Fire District No. 10**

December 31, 2022

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
Assets					
Cash	\$ 498,552	\$ 75,265	\$ 573,817	\$ -	\$ 573,817
Receivables:					
Taxes	91,557	7,961	99,518	-	99,518
Other receivables	10,003	-	10,003	-	10,003
Due from other governmental units	805,339	68,694	874,033	-	874,033
Due from other funds	49,510	-	49,510	(49,510)	-
Capital assets:					
Non-depreciable	-	-	-	65,967	65,967
Depreciable, net of accumulated depreciation	-	-	-	2,415,911	2,415,911
Total current assets	1,454,961	151,920	1,606,881	2,432,368	4,039,249
Deferred Outflows of Resources					
Pension				136,180	136,180
Other postemployment benefits	-	-	-	241,288	241,288
Total assets and deferred outflows of resources	<u>\$ 1,454,961</u>	<u>\$ 151,920</u>	<u>\$ 1,606,881</u>	<u>2,809,836</u>	<u>4,416,717</u>
Liabilities					
Accounts payables and accrued expenditures	\$ 32,124	\$ -	\$ 32,124	1,091	33,215
Due to other funds	-	49,510	49,510	(49,510)	-
Long-term liabilities:					
Due within one year	-	-	-	85,000	85,000
Due after one year	-	-	-	1,024,564	1,024,564
Total liabilities	<u>32,124</u>	<u>49,510</u>	<u>81,634</u>	<u>1,061,145</u>	<u>1,142,779</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	949,916	81,266	1,031,182	-	1,031,182
Pensions				279,066	279,066
Other postemployment benefits	-	-	-	614,017	614,017
Total deferred inflows of resources	<u>949,916</u>	<u>81,266</u>	<u>1,031,182</u>	<u>893,083</u>	<u>1,924,265</u>
Total liabilities and deferred inflows of resources	<u>982,040</u>	<u>130,776</u>	<u>1,112,816</u>	<u>1,954,228</u>	<u>3,067,044</u>
Fund Balances/Net Assets					
Fund balances:					
Restricted:					
Debt service	-	21,144	21,144	(21,144)	-
Unassigned	472,921	-	472,921	(472,921)	-
Total fund balances	<u>472,921</u>	<u>21,144</u>	<u>494,065</u>	<u>(494,065)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,454,961</u>	<u>\$ 151,920</u>	<u>\$ 1,606,881</u>		
Net position:					
Net investment in capital assets				2,396,878	2,396,878
Restricted:					
Debt service				20,053	20,053
Unrestricted				(1,067,258)	(1,067,258)
Total net position				<u>\$ 1,349,673</u>	<u>\$ 1,349,673</u>

See notes to financial statements.

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

Terrebonne Parish Fire District No. 10

December 31, 2022

Fund Balances - Governmental Fund \$ 494,065

Amounts reported for governmental activities in the
Statement of Net Position are different because:

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

Governmental capital assets	\$ 4,729,091	
Less accumulated depreciation	<u>(2,247,213)</u>	2,481,878

Deferred outflows of resources used in governmental
activities are not financial resources and are not
reported in governmental funds.

Pensions	136,180	
Other postemployment benefits obligation	<u>241,288</u>	377,468

Other assets and liabilities used in governmental
activities are not financial resources and are
not reported in the governmental funds.

Accrued interest payable		(1,091)
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Long-term liabilities, are not due and payable in
the current period and, therefore, are not
reported in the governmental funds.

Governmental bonds payable	(85,000)	
Compensated absences	(21,783)	
Other postemployment benefits liability	(182,955)	
Net pension liability	<u>(819,826)</u>	(1,109,564)

Deferred inflows of resources are not due and
payable in the current period and are not
reported in governmental funds.

Pensions	(279,066)	
Other postemployment benefits	<u>(614,017)</u>	<u>(893,083)</u>

Net Position of Governmental Activities **\$ 1,349,673**

See notes to financial statements.

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

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2022

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Revenues					
Taxes	\$ 893,484	\$ 77,683	\$ 971,167	\$ -	\$ 971,167
Intergovernmental:					
State of Louisiana:					
FEMA	165,349	-	165,349	-	165,349
State revenue sharing	16,029	-	16,029	-	16,029
Fire insurance tax	28,538	-	28,538	-	28,538
Supplemental pay	34,846	-	34,846	-	34,846
Miscellaneous:					
Interest	1,089	405	1,494	-	1,494
Other	50,208	229	50,437	-	50,437
Total revenues	<u>1,189,543</u>	<u>78,317</u>	<u>1,267,860</u>	<u>-</u>	<u>1,267,860</u>
Expenditures/Expenses					
Current:					
General government:					
Ad valorem tax adjustment	21,069	1,834	22,903	-	22,903
Ad valorem tax deductions	29,442	2,560	32,002	-	32,002
Total general government	<u>50,511</u>	<u>4,394</u>	<u>54,905</u>	<u>-</u>	<u>54,905</u>
Public safety:					
Personal services	783,435	-	783,435	25,780	809,215
Supplies and materials	37,996	-	37,996	-	37,996
Other services and charges	113,832	-	113,832	-	113,832
Repairs and maintenance	106,043	-	106,043	-	106,043
Depreciation	-	-	-	175,853	175,853
Total public safety	<u>1,041,306</u>	<u>-</u>	<u>1,041,306</u>	<u>201,633</u>	<u>1,242,939</u>
Debt service:					
Principal retirement	-	80,000	80,000	(80,000)	-
Interest and fiscal charges	-	5,313	5,313	(1,026)	4,287
Total debt service	<u>-</u>	<u>85,313</u>	<u>85,313</u>	<u>(81,026)</u>	<u>4,287</u>
Capital outlay	<u>65,207</u>	<u>-</u>	<u>65,207</u>	<u>(65,207)</u>	<u>-</u>
Total expenditures/expenses	<u>1,157,024</u>	<u>89,707</u>	<u>1,246,731</u>	<u>55,400</u>	<u>1,302,131</u>

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	32,519	(11,390)	21,129	(55,400)	(34,271)
Other Financing Sources (Uses)					
Proceeds from insurance claim	3,163	-	3,163	-	3,163
Net Change in Fund Balance	35,682	(11,390)	24,292	(24,292)	-
Change in Net Position	-	-	-	(31,108)	(31,108)
Fund Balances/Net Position					
Beginning of year, restated	437,239	32,534	469,773	911,008	1,380,781
End of year	<u>\$ 472,921</u>	<u>\$ 21,144</u>	<u>\$ 494,065</u>	<u>\$ 855,608</u>	<u>\$ 1,349,673</u>

See notes to financial statements.

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

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2022

Net Change in Fund Balances - Governmental Funds **\$ 24,292**

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of
those assets is allocated over their estimated useful
lives and reported as depreciation expense.

Capital outlay	\$ 65,207	
Depreciation expense	<u>(175,853)</u>	(110,646)

The issuance of long-term debt provides current financial
resources to governmental funds, while the repayment
of the principal of long-term debt consumes the current
financial resources of governmental funds. Neither
transaction, however, has any effect on net position.

Principal payments		80,000
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Some revenues and expenses reported in the Statement
of Activities do not provide or require the use of current
financial resources and, therefore, are not reported as
revenues or expenditures in the governmental funds.

Decrease in accrued interest payable		1,026
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The net effect of miscellaneous transactions involving
capital assets, such as dispositions, impairments and
donations, is to decrease net position.

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

Decrease in postemployment benefit obligations	88,814	
Increase in compensated absences	(4,916)	
Pension expense	<u>(109,678)</u>	<u>(25,780)</u>

Change in Net Position of Governmental Activities		<u>\$ (31,108)</u>
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See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 850,000	\$ 845,536	\$ 893,484	\$ 47,948
Intergovernmental:				
State of Louisiana:				
FEMA	-	165,349	165,349	-
State revenue sharing	15,875	16,029	16,029	-
Fire insurance tax	15,500	28,538	28,538	-
Supplemental pay	-	-	34,846	34,846
Miscellaneous:				
Interest	200	500	1,089	589
Other	-	25,157	50,208	25,051
Total revenues	<u>881,575</u>	<u>1,081,109</u>	<u>1,189,543</u>	<u>108,434</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	-	-	21,069	(21,069)
Ad valorem tax deductions	-	-	29,442	(29,442)
Total general government	<u>-</u>	<u>-</u>	<u>50,511</u>	<u>(50,511)</u>
Public safety:				
Personal services	734,210	800,803	783,435	17,368
Supplies and materials	22,500	30,686	37,996	(7,310)
Other services and charges	83,350	131,929	113,832	18,097
Repairs and maintenance	35,500	113,938	106,043	7,895
Total public safety	<u>875,560</u>	<u>1,077,356</u>	<u>1,041,306</u>	<u>36,050</u>
Capital outlay	<u>-</u>	<u>4,399</u>	<u>65,207</u>	<u>(60,808)</u>
Total expenditures	<u>875,560</u>	<u>1,081,755</u>	<u>1,157,024</u>	<u>(75,269)</u>

**Exhibit E
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Excess (deficiency) of revenues over expenditures before other financing sources	6,015	(646)	32,519	33,165
Other Financing Sources				
Proceeds from insurance claim	-	3,163	3,163	-
Net Change in Fund Balances	6,015	2,517	35,682	33,165
Fund Balance				
Beginning of year	362,088	437,239	437,239	-
End of year	<u>\$ 368,103</u>	<u>\$ 439,756</u>	<u>\$ 472,921</u>	<u>\$ 33,165</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Fire District No. 10**

December 31, 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Fire District No. 10 (the “District”) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of the Terrebonne Parish Consolidated Government (the “Parish”) and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2022.

GASB Statement 14, *“The Financial Reporting Entity*, GASB Statement 39, *Determining Whether Certain Organizations Are Component Units-an Amendment of GASB Statement 14*, and GASB Statement 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements 14 and 34*”, established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. The legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

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

b) Basis of Presentation

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements (individual major funds).

Government-Wide Financial Statements

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

Fund Financial Statements

The daily accounts and operations of the District are organized on the basis of a fund and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise their assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. Governmental resources are allocated to and accounted for in the funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is always a major fund.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for debt principal, interest and related costs. The Debt Service Fund is reported as a major fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting

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

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 recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government’s availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2022 property taxes which are being levied to finance the 2023 budget will be recognized as revenue in 2023. The 2022 tax levy is recorded as deferred inflows of resources (unavailable revenue) in the District’s 2022 financial statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

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

e) Operating Budgetary Data

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

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

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

g) Prepaid Insurance

The District records prepaid insurance in its governmental fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. There was no prepaid insurance as of December 31, 2022.

h) Capital Assets

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Capital Assets (Continued)

Government-Wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings and improvements	5 - 40 years
Trucks	5 - 15 years
Machinery and equipment	5 - 25 years
Office furniture, fixtures, and equipment	5 - 12 years

Fund Financial Statements

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

i) Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows of resources related to pensions and other postemployment benefits.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Long-term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of compensated absences, general obligation bonds and net pension liability.

Fund Financial Statements

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. Bond proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures in governmental funds.

k) Vacation and Sick Leave

Accumulated vacation and sick leave is recorded as an expenditure of the period in which it is paid in the governmental funds. Obligations for compensated absences are reported in the government-wide statements.

Employees of the District receive 24 vacation days after the first year of service with the District. Accumulated vacation leave is due to the employee at the time of termination or death. No more than 30 days of vacation may be carried over from one year to the next.

Every firefighter in the employ of a fire protection district shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of no less than fifty-two weeks. A firefighter employed by any fire protection district who draws full pay during sickness or incapacity shall have such pay decreased by the amount of workers' compensation benefits actually received by the employee. A firefighter is entitled to sick leave benefits even though the injury or illness may have occurred while he was off duty. Firefighters are not prohibited from engaging in part-time employment while receiving sick leave. A probationary firefighter who is not a regular or permanent firefighter is not entitled to sick leave benefits provided by the District. Sick leave does not accumulate for District employees. Accordingly, there is no accumulated sick leave for the District as of December 31, 2022.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Deferred Inflows of Resources

The District reports deferred inflows of resources in the financial statements when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements. The District reports deferred inflows of resources related to property taxes and pensions and other postemployment benefits.

m) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

n) Equity

Government-Wide Statements

Equity is classified as net position and displayed in three components:

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Equity (Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed, but are intended to be used for specific purposes. Assigned amounts may be established, modified or rescinded through a majority vote by the District's Board of Commissioners.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive classification first when more than one classification is available. The District's fund balance was classified as restricted and unassigned as of December 31, 2022.

o) New GASB Statements

During the year ended December 31, 2022, the District implemented the following GASB Statements:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. This Statement did not affect the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. This Statement did not affect the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. This Statement did not affect the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. This Statement did not affect the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*” provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. This Statement did not affect the financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*” improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the “transferor”) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the “underlying PPP asset”), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning

after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 96, “*Subscription-Based Information Technology Arrangements*” provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 99, “*Omnibus 2022*” provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 100, “*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*” provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - RESTATEMENT OF NET POSITION

During the year ended December 31, 2022, the District determined that a liability and related deferred outflows and inflows of resources should have been recognized for other postemployment benefits as established by Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.” Accordingly, the District has recognized a prior period adjustment to account for the effect of the error in accounting. The restatement is as follows:

Net position as previously reported	\$ 2,025,279
Correction to record deferred inflows, deferred outflows and other postemployment benefits liability under Statement No. 75	<u>(644,498)</u>
Net position, as restated	<u><u>\$ 1,380,781</u></u>

Note 3 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Note 3 - DEPOSITS (Continued)

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

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	<u>\$ 605,909</u>	<u>\$ 573,817</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2022, \$355,909 of the District's bank balance of \$605,909 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the District's name by state statutes.

As of December 31, 2022, cash in excess of the FDIC insurance collateralized by securities held by an unaffiliated bank for the account of the District. The GASB, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39: 1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 4 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the District. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list of January 1, 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2022 was \$23.00 per

Note 4 - PROPERTY TAXES (Continued)

\$1,000 of assessed valuation on property within Terrebonne Parish Fire District No. 10 for the purpose of constructing, maintaining, and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes including charges for fire hydrant rentals and services, and \$2.00 per \$1,000 of assessed valuation for the payment of debt and interest. As indicated in Note 1c, taxes levied November 1, 2022 are for budgeted expenditures in 2023 and will be recognized as revenues in 2023.

Note 5 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2022 consisted of the following:

	General Fund	Debt Service Fund	Totals
State of Louisiana:			
State revenue sharing	\$ 10,240	\$ -	\$ 10,240
Terrebonne Parish Tax Collector - December 2022 collections remitted to the District in January, 2023:			
Ad valorem taxes	789,979	68,694	858,673
State revenue sharing	5,120	-	5,120
Totals	<u>\$ 805,339</u>	<u>\$ 68,694</u>	<u>\$ 874,033</u>

Note 6 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital assets not being depreciated:				
Land	\$ 65,967	\$ -	\$ -	\$ 65,967
Capital assets being depreciated:				
Buildings and improvements	2,698,966	38,075	-	2,737,041
Trucks	1,515,837	2,000	(6,718)	1,511,119
Machinery and equipment	372,653	24,443	-	397,096
Office furniture, fixtures, and equipment	17,179	689	-	17,868
Total capital assets being depreciated	4,604,635	65,207	(6,718)	4,663,124
Less accumulated depreciation for:				
Buildings and improvements	(716,766)	(70,339)	-	(787,105)
Trucks	(1,046,069)	(88,645)	6,718	(1,127,996)
Machinery and equipment	(298,555)	(16,574)	-	(315,129)
Office furniture, fixtures, and equipment	(16,688)	(295)	-	(16,983)
Total accumulated depreciation	(2,078,078)	(175,853)	6,718	(2,247,213)
Total capital assets being depreciated, net	2,526,557	(110,646)	-	2,415,911
Total capital assets, net	<u>\$ 2,592,524</u>	<u>\$ (110,646)</u>	<u>\$ -</u>	<u>\$ 2,481,878</u>

In 2022, the District completed repairs to Station 2. The District also purchased automated chest compression machines and a used truck.

Depreciation amounting to \$175,853 was recorded as public safety expenses for the year ended December 31, 2022.

Note 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures as of December 31, 2022 are presented below:

	<u>General Fund</u>	<u>Adjustments</u>	<u>Totals</u>
Governmental fund:			
Salaries and benefits	\$ 32,124	\$ -	\$ 32,124
Governmental activities:			
Accrued interest on long-term debt	<u>-</u>	<u>1,091</u>	<u>1,091</u>
Totals	<u>\$ 32,124</u>	<u>\$ 1,091</u>	<u>\$ 33,215</u>

Note 8 - DUE TO/FROM OTHER FUNDS

Due to/from other funds are listed by fund for the year ended December 31, 2022:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	<u>\$ 49,510</u>	<u>\$ -</u>
Debt Service Fund	<u>\$ -</u>	<u>\$ 49,510</u>

The balances above result from interest payment and principal on bonds paid through the operating account.

Note 9 - LONG-TERM OBLIGATIONS

As of December 31, 2022, the District had outstanding general obligation bonds (series 2008) totaling \$85,000 bearing interest at 3.85% payable through March 1, 2023. This bond series is payable from the pledge of unlimited ad valorem tax of which the District recognized \$971,167 as revenues during the year ended December 31, 2022.

Through December 31, 2022, the District has recognized obligations in the amount of \$21,783 for compensated absences as further described in Note 1k.

Through December 31, 2022, the District has recognized obligations in the amount of \$182,955 for other postemployment benefits as further described in Note 9.

Through December 31, 2022, the District has recognized obligations in the amount of \$819,826 for the defined benefit pension plan as further described in Note 10.

Note 9 - LONG-TERM OBLIGATIONS (Continued)

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

	Payable January 1, 2022	Issuances	Obligations Retired	Payable December 31, 2022
Compensated absences	\$ 16,867	\$ 4,916	\$ -	\$ 21,783
General obligation bonds				
Series 2008	165,000	-	80,000	85,000
Other postemployment benefits	694,630		511,675	182,955
Defined benefit pension plan	445,625	374,201	-	819,826
	<u>445,625</u>	<u>374,201</u>	<u>-</u>	<u>819,826</u>
Total long-term obligations	<u>\$ 1,322,122</u>	<u>\$ 379,117</u>	<u>\$ 591,675</u>	<u>\$ 1,109,564</u>

The annual requirements to amortize all long-term debt outstanding as of December 31, 2022 are as follows:

Year Ending December 31,	General Obligation Bonds Principal	Interest
2023	<u>\$ 85,000</u>	<u>\$ 1,636</u>
Totals	<u>\$ 85,000</u>	<u>\$ 1,636</u>

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District administers a single employer defined benefit healthcare plan (the “Plan”). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Board of Commissioners. Louisiana Revised Statute 33:5161 grants the authority to establish and amend the benefit terms and financing requirements to the Board of Commissioners. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Eligible retirees can continue their health coverage by an election at retirement. Retirees are not eligible to rejoin at any other time. For employees retiring before January 1, 2005 the District funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Plan Description (continued)

District employees retiring on or after January 1, 2005 and before January 1, 2014, with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule: 11 to 15 years of service, 27.50% plus 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year; 21 years or more of service, 60% plus 5.00% per year of service, limited to 85% of the premium. Employees hired after December 31, 2013 with at least 30 years of permanent full-time creditable service, age 55 and 5 years of participation in the District's group health insurance plan immediately prior to retirement shall be eligible to participate in the Plan with benefits limited to 80% of premiums. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Parochial Employees' Retirement System, see Note 9. The District currently has one active employee and no retirees in the Plan. The District does not issue a publicly available financial report on the Plan.

Employees Covered by Benefit Terms

Inactive employees currently receiving benefit payments	1
Active employees	<u>6</u>
Total	<u><u>7</u></u>

The District's total OPEB liability of \$182,955 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of December 31, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (continued)

Measurement Date	December 31, 2022
Actuarial Valuation Date	January 1, 2022
Inflation	2.50%
Salary Increases, Including Inflation	3.00%
Discount Rate	4.05%
Healthcare Cost Trend Rates	Medical - 6.00% in year one decreasing in decrements of 0.25% per year until 5.00% through year five. Dental - 3.50% in year one decreasing in decrements of 0.25% per year until 2.50% through year five.

The discount rate was based on the December 31, 2022 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

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

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

	<u>OPEB Liability</u>
Balance as of December 31, 2021	\$ 694,630
Changes for the year:	
Service cost	5,836
Interest	4,626
Difference between expected and actual experience	18,518
Changes in assumptions and other inputs	(88,858)
Change in proportion	(445,183)
Benefit payments	<u>(6,614)</u>
Net changes	<u>(511,675)</u>
Balance as of December 31, 2022	<u><u>\$ 182,955</u></u>

Sensitivity to Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1.00% Decrease <u>(3.05%)</u>	Current Discount Rate <u>(4.05%)</u>	1.00% Increase <u>(5.05%)</u>
Total OPEB Liability	<u><u>\$ 214,658</u></u>	<u><u>\$ 182,955</u></u>	<u><u>\$ 157,763</u></u>

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	<u>\$ 155,424</u>	<u>\$ 182,955</u>	<u>\$ 218,659</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022 the District recognized OPEB benefit of \$511,675. As of December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 16,662	\$ (15,304)
Change in assumptions	12,683	(84,129)
Change in proportion	<u>211,943</u>	<u>(514,584)</u>
Totals	<u>\$ 241,288</u>	<u>\$ (614,017)</u>

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2023	\$ (185,235)
2024	(58,321)
2025	(58,320)
2026	<u>(70,853)</u>
Total	<u>\$ (372,729)</u>

Note 11 - DEFINED BENEFIT PLAN

Plan Description - The District contributes to the Firefighters' Retirement System of Louisiana (the "System"), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2272, specifically, and other general laws of the State of Louisiana.

Eligibility - Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Members in the System consist of full-time firefighters, eligible employees of the retirement system, or any person in a position as defined in the municipal fire and police civil service system that earns at least \$375 per month, excluding state supplemental pay, and is employed by a fire department of any municipality, parish, or fire district of the state of Louisiana, except for Orleans Parish and the City of Baton Rouge.

No person who has attained age 50 or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System receives an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System.

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

Note 11 - DEFINED BENEFIT PLAN (Continued)

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

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

Benefits are payable over the retirees' lives in the form of a monthly annuity. A member may elect the maximum benefit (unreduced benefit which ceases upon the member's death) or any of six other options at retirement.

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

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

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

Deferred Retirement Option Plan - After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to the member's regular monthly benefit.

Note 11 - DEFINED BENEFIT PLAN (Continued)

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the DROP account until the participant retires.

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

Cost of Living Adjustments (COLAs) - Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 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 earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to \$1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

Contributions - Employer contributions are actuarially determined each year. For the year ended June 30, 2022, the employer contribution rate for employees above the poverty line/below the poverty line for the period January 1, 2022 through June 30, 2022 was 33.75%/35.75% and 33.25%/35.25% for the period July 1, 2022 through December 31, 2022. Plan members above the poverty line are required to contribute 10.00% of their annual covered payroll, and 8.00% for those below the poverty line.

The District's contributions to the System for the year ended December 31, 2022, were \$112,423, equal to the required contributions for the year.

Pension Liabilities - As of December 31, 2022, the District reported a liability of \$819,826 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.1163% which was a decrease of 0.0095% from its proportion measured as of June 30, 2021.

Note 11 - DEFINED BENEFIT PLAN (Continued)

Pension Expense - For the year ended December 31, 2022, the District recognized pension expense of \$222,101.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - As of December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,900	\$ (38,642)
Change in assumptions	67,601	-
Change in proportion	4,593	(240,424)
Contributions subsequent to the measurement date:		
Current year	<u>59,086</u>	<u>-</u>
	<u>\$ 136,180</u>	<u>\$ (279,066)</u>

The District reported \$59,086 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 7,621
2024	(10,195)
2025	(26,499)
2026	59,256
2027	(37,215)
2028	<u>(9,228)</u>
Total	<u>\$ (16,260)</u>

Note 11 - DEFINED BENEFIT PLAN (Continued)

Actuarial Assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the assumptions used in the June 30, 2022 actuarial funding valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Estimated Remaining Service Life	7 years, closed period
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation).
Inflation Rate	2.50% per annum
Salary Increases	14.10% in the first two years of service and 5.20% with three or more years of service; includes inflation and merit increases.
Cost of Living Adjustments	Only those previously granted.

For the June 30, 2022 valuation, assumptions for mortality rates were based on the following:

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

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

Note 11 - DEFINED BENEFIT PLAN (Continued)

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

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity:		
U.S. Equity	27.50%	5.64%
Non-U.S. Equity	11.50%	5.89%
Global Equity	10.00%	5.99%
Emerging Market Equity	7.00%	7.75%
Fixed Income:		
U.S. Core Fixed Income	18.00%	0.84%
U.S. TIPS	3.00%	0.51%
Emerging Market Debt	5.00%	2.99%
Alternatives:		
Real Estate	6.00%	4.57%
Real Assets	3.00%	4.89%
Private Equity	9.00%	8.99%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	0.00%	3.14%
Risk Parity	0.00%	3.14%
	<u>100.00%</u>	

Note 11 - DEFINED BENEFIT PLAN (Continued)

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

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the participating employers calculated using the discount rate of 6.90%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage-point higher (7.90%) than the current rate as of June 30, 2022.

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
District's proportionate share of the net pension liability	<u>\$ 1,212,841</u>	<u>\$ 819,826</u>	<u>\$ 492,023</u>

Pension Plan Fiduciary Net Position - The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809 or on the System's website, www.fffret.com.

Note 12 - SUPPLEMENTAL PAY

In addition to the compensation paid by Terrebonne Parish Fire District No. 10, employees who are firemen may be eligible to receive supplemental pay. The amount of compensation is determined by State Law and is revised periodically.

As per Louisiana Revised Statute 33:2003, any full-time, regular employee of the parish fire protection district who is hired after March 31, 1986, who has passed a certified firemen's training program equal to the National Fire Protection Association Standard

Note 12 - SUPPLEMENTAL PAY (Continued)

1001 and who is paid three hundred dollars per month from public funds is eligible for supplemental pay. These full-time employees are carried on the payroll paid from funds of the District obtained through lawfully adopted bond issues or lawfully assessed taxes, either directly or through a board or commission set up by law or ordinance. Employees employed by a fire district are not eligible for supplemental pay if they are presently drawing a retirement or disability pension, clerical employees and mechanics and for those employees who have not passed a certified firemen's training program but are hired after March 31, 1986. State supplemental pay for firefighters must be taken into account in calculating firefighters longevity pay, holiday pay, and overtime pay. The period of service for computing additional compensation includes prior service of employees who have returned or who hereafter return to such service provided that service in any parish or fire protection district fire department shall be used in computing such prior service which includes full-time employees of a volunteer fire department.

As of December 31, 2022, the District has recognized revenue and expenditures of \$34,846 in salary supplements that the State of Louisiana has paid directly to the District's employees.

Note 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group health benefits for which the District carries commercial insurance and participates in the Parish's risk management program for group insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for group health insurance are based on a fixed rate per employee.

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible of all group claims relating to group insurance for 2021 was \$14,007,398. Insurance contracts cover excess liability on individual claims. Coverage for group health claim liabilities are to be funded first by the assets of the Parish's group health internal services fund, \$3,765,585 as of December 31, 2021, then secondly by the District. As of December 31, 2022, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2022 totaled \$113,723.

Note 14 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2022:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Jimmy Verret, Jr.	13	\$ 390
Regina Pierron	10	300
Davon Charles	7	210
Sam Small, Jr.	12	360
Carroll Hebert	9	270
Total		<u>\$ 1,530</u>

Note 15 - STATE OF LOUISIANA TAX ABATEMENTS

The District's ad valorem tax revenues were reduced by \$16,190 (\$14,895 General Fund and \$1,295 Debt Service Fund) under agreements entered into by the State of Louisiana.

Note 16 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 25, 2023, which is the date the financial statements' were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

Terrebonne Parish Fire Protection District No. 10

For the three years ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability			
Service cost	\$ 5,836	\$ 15,507	\$ 18,461
Interest	4,626	13,425	21,278
Changes of benefit terms			
Difference between expected and actual experience	18,518	(2,192)	(93,180)
Changes in assumptions or other inputs	(88,858)	7,598	(67,029)
Change in proportion	(445,183)	39,849	773,057
Benefit payments	<u>(6,614)</u>	<u>(17,685)</u>	<u>(14,459)</u>
Net Change in Total OPEB Liability	(511,675)	56,502	638,128
Beginning of year	<u>694,630</u>	<u>638,128</u>	<u>-</u>
End of year	<u><u>\$ 182,955</u></u>	<u><u>\$ 694,630</u></u>	<u><u>\$ 638,128</u></u>
Covered Employee Payroll	<u><u>\$ 334,181</u></u>	<u><u>\$ 334,181</u></u>	<u><u>\$ 493,399</u></u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	<u><u>54.75%</u></u>	<u><u>207.86%</u></u>	<u><u>129.33%</u></u>

Notes to Schedule

Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period.	<u>4.05%</u>	<u>1.84%</u>	<u>2.00%</u>
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The schedule is provided beginning with the District's year ended December 31, 2020 and is intended to show a ten year trend. Additional years will be reported as they become available.

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

Terrebonne Parish Fire District No. 10

December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.1163%	0.1257%	0.1657%	0.1680%	0.1764%	0.1775%	0.1712%	19.3600%
District's proportionate share of the net pension liability	<u>\$819,826</u>	<u>\$445,625</u>	<u>\$1,148,253</u>	<u>\$1,052,233</u>	<u>\$1,014,908</u>	<u>\$1,017,162</u>	<u>\$1,120,077</u>	<u>\$1,044,994</u>
District's covered-employee payroll	<u>\$300,926</u>	<u>\$350,857</u>	<u>\$412,419</u>	<u>\$406,122</u>	<u>\$420,079</u>	<u>\$414,340</u>	<u>\$386,115</u>	<u>\$419,122</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	272.43%	127.01%	278.42%	259.09%	241.60%	245.49%	290.09%	249.33%
Plan fiduciary net position as a percentage of the total pension liability	74.68%	86.78%	72.61%	73.96%	74.76%	73.55%	68.16%	72.45%

The schedule is provided beginning with the District's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**Terrebonne Parish Fire District No. 10**

December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 112,423	\$ 97,920	\$ 113,631	\$ 115,488	\$ 104,580	\$ 111,854	\$ 105,873	\$ 122,593
Contributions in relation to the contractually required contribution	<u>112,423</u>	<u>97,920</u>	<u>113,631</u>	<u>115,488</u>	<u>104,580</u>	<u>111,854</u>	<u>105,873</u>	<u>122,593</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 335,738</u>	<u>\$ 296,982</u>	<u>\$ 379,798</u>	<u>\$ 425,632</u>	<u>\$ 394,643</u>	<u>\$ 432,015</u>	<u>\$ 403,492</u>	<u>\$ 431,960</u>
Contributions as a percentage of covered-employee payroll	33.49%	32.97%	29.92%	27.13%	26.50%	25.89%	26.24%	28.38%

The schedule is provided beginning with the District's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Terrebonne Parish Fire District No. 10

December 31, 2022

Agency Head Name:	Quint Liner 1/1/2022 - 11/5/2022	Bryan Hebert 11/6/2022 - 12/31/2022
Purpose:		
Salary	\$ 84,122	\$ 10,433
Benefits - insurance	14,543	2,075
Benefits - retirement	-	-
Benefits - other	-	-
Car allowance	-	-
Vehicle provided by government	-	-
Per diem	-	-
Reimbursements	-	-
Travel	-	-
Registration fees	-	-
Conference travel	-	-
Continuing professional education fees	-	-
Housing	-	-
Unvouchered expenses	-	-
Meals	-	-
	<u>\$ 98,665</u>	<u>\$ 12,508</u>

Note:

The Fire Chief of the District functions as Chief Executive Officer.

The position was filled by those individuals named for the dates shown above.

Quint Liner retired from his position as Fire Chief on November 5, 2022.

Bryan Hebert was promoted to the position of Fire Chief starting November 6, 2022.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Terrebonne Parish Fire District No. 10,
Theriot, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Terrebonne Parish Fire District No. 10 (the “District”) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District’s financial statements and have issued our report thereon dated May 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2022-001.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Certified Public Accountants.

Houma, Louisiana,
May 25, 2023.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2022

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ☒ Yes ☐ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

Terrebonne Parish Fire District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2022 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

2022-001 Compliance with State Budget Laws

Criteria - Louisiana Revised Statute 39:1311 requires that the chief executive or administrative officer advise the governing authority or independently elected official when actual revenues are less than budgeted revenues by 5% or actual expenditures exceed budgeted expenditures by 5% or actual beginning fund balance is less than budgeted fund balance by 5%.

Condition - Expenditures were greater than 5% of budgeted expenditures.

Cause - The District's budget was not amended to reflect additional costs in the General Fund.

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements (Continued)**

Internal Control Over Financial Reporting (Continued)

2022-001 Compliance with State Budget Laws (Continued)

Effect - The District was not in compliance with Louisiana Revised Statute 39:1311.

Recommendation - We recommend that the District comply with the State budget laws by amending its budget to ensure that actual expenditures do not create an unfavorable variance as compared to budgeted expenditures by greater than 5%.

Views of responsible officials of the auditee when there is a disagreement with the finding, to the extent practical - None.

Compliance and Other Matters

See 2022-001.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2022

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting and Compliance and Other Matters

2021-001 Local Government Budget Act and Publishing Minutes

Auditor's Recommendation: The District's written budget policies and procedures should be amended to include key dates pertaining to the required publishing of budget notices and the budget. The policy change would ensure proper publishing of budget availability, the opportunity for public comment, and notice of budget adoption and completion. Also, the District should publish minutes from all meetings.

Management's Response: Resolved. The District published the minutes of all meetings held throughout the year, as well as all actions throughout the year that required publishing.

Section II - Federal Award Findings and Questioned Cost

Terrebonne Parish Fire District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2021, and therefore is exempt from the audit requirements under the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2021.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2022

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting and Compliance and Other Matters

2022-001 Compliance with State Budget Laws

Recommendation - We recommend that the District comply with the State budget laws by amending its budget to ensure that actual expenditures do not create an unfavorable variance as compared to budgeted expenditures by greater than 5%.

Management's Corrective Action - The District will institute policies to amend its budget accordingly to ensure actual expenditures do not create an unfavorable balance as compared to budgeted expenditures by greater than 5% in order to comply with Louisiana Revised Statute 39:1311.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Fire District No. 10 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2022, and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2022.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Terrebonne Parish Fire District No. 10,
Theriot, Louisiana.

We have performed the procedures described in Schedule 5 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2022 through December 31, 2022. Terrebonne Parish Fire District No. 10 (the "District") management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 5.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were 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 these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our 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.

Bougeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
May 25, 2023.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2022

The required procedures and our findings are as follows:

1) Procedures Performed on the District's Written Policies and Procedures:

- A. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the District's operations:
 - i. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
 Exceptions: There were no exceptions noted.
 - ii. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 Performance: Obtained and read the written policy for purchasing.
 Exceptions: There was an exception noted due to the policy lacking a provision on how vendors are added to the vendor list.
 - iii. Disbursements, including processing, reviewing, and approving.
 Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
 Exceptions: There were no exceptions noted.
 - iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or District fund additions.
 Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.
 Exceptions: There were no exceptions noted.

1) Procedures Performed on the District's Written Policies and Procedures: (Continued)

- v. 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.
Performance: Obtained and read the written policy for payroll and personnel.
Exceptions: There was an exception noted due to the policy lacking a provision on the approval process for employee rate of pay or approval and maintenance of pay rate schedules.
- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the purchasing handbook for contracting.
Exceptions: There were exceptions noted due to the policy lacking provisions on types of services requiring written contracts, standard terms and conditions, legal review, and monitoring process.
- vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- viii. 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).
Performance: Obtained and read the written policy for credit cards.
Exceptions: There were exceptions noted due to the policy lacking provisions on allowable business uses and required approvers of statements.
- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.
Performance: Obtained and read the written policy for ethics.
Exceptions: There were exceptions noted due to the policy lacking all the above provisions.

1) Procedures Performed on the District's Written Policies and Procedures: (Continued)

- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Obtained and read the written policy for debt service.
Exceptions: There were exceptions noted due to the policy lacking provisions on continuing disclosure/EMMA reporting requirement, debt reserve requirement, and debt service requirements.
- xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Performance: Inquired of management regarding the District's information technology disaster recovery/business continuity policy.
Exceptions: There were exceptions noted due to the District lacking this policy during the fiscal period.
- xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Performance: Obtained and read the written policy for sexual harassment and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

2) Procedures Performed on the District's Board:

- A. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:
 - i. Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for each meeting.
Exceptions: There were no exceptions noted.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
Performance: Inspected meeting minutes to determine if the minutes included references to budget-to-actual comparisons for the General Fund.
Exceptions: There were no exceptions noted.

2) Procedures Performed on the District's Board: (Continued)

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Performance: Obtained the prior year's audit report and observed the unassigned fund balance in the General Fund. The General Fund did not have a negative ending unassigned fund balance.

Exceptions: There were no exceptions noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Obtained and read the written minutes of the Board meetings.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the District's Bank Reconciliations:

- A. Obtain a listing of the District's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the District's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Performance: Obtained monthly bank reconciliation for the month of December for the main operating bank account and 2 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were exceptions noted due to the lack of evidence that the bank reconciliations are being prepared within 2 months of the related statement closing date.

- ii. Bank reconciliations include evidence that a member of management who does not manage cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Inspected the District's documentation for the December bank reconciliation for the 3 bank accounts selected.

Exceptions: There were exceptions noted due to a lack of evidence of the review.

3) Procedures Performed on the District's Bank Reconciliations: (Continued)

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months.

We noted no checks outstanding for longer than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):

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

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. The District only has one deposit site.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The District has one collection location.

Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were exceptions noted due to the same person being responsible for cash collections and preparing bank deposits.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers): (Continued)

- iii. 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.

- Performance: Inspected policy manuals, inquired of client as to all of the requirements.

- Exceptions: There were exceptions noted due to the same person being responsible for cash collections, posting collection entries, and for reconciling ledger postings to each other and to the deposits.

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

- Performance: Inspected policy manuals, inquired of client as to all of the requirements.

- Exceptions: There were exceptions noted due to the same person being responsible for cash collections and bank reconciliations.

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

- Performance: Obtained a copy of the insurance policy for theft and a listing of all employees covered by the policy. The policy was in force during the fiscal period.

- Exceptions: There were no exceptions noted.

- D. Randomly select 2 deposit dates for each of the District's 3 bank accounts selected for procedures #3 under "Procedures Performed on the District's Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates selected and randomly select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits selected and:

- i. Observe that receipts are sequentially pre-numbered.

- Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

- Exceptions: There were no exceptions noted.

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

- Performance: Traced supporting documentation to the deposit slip.

- Exceptions: There were no exceptions noted.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers): (Continued)

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
Performance: Traced deposit slip total to actual deposit per bank statement.
Exceptions: There were no exceptions noted.
- iv. 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 ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Performance: Observed that the deposits tested were made within one business day of receipt.
Exceptions: There were no exceptions noted.
- v. Trace the actual deposit per the bank statement to the general ledger.
Performance: Traced the actual deposit per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter. The District only has one location that processes payments.
Exceptions: There were no exceptions noted.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the District has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.
Exceptions: There were no exceptions noted.
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Performance: Obtained a listing of employees/contractors involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least two employees/contractors are involved.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. At least two employees are involved in processing and approving payments to vendors.
Performance: Obtained a listing of employees/contractors involved in processing and approving payments to vendors. Observed at least two employees/contractors are involved.
Exceptions: There were no exceptions noted.

- iii. The employees responsible for processing payments are prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
Performance: Obtained a listing of employees/contractors involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.
Exceptions: There were no exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Performance: Obtained a listing of employees/contractors involved with signing and mailing checks.
Exceptions: There were no exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other means.
Performance: Obtained a listing of employees authorized to sign checks.
Exceptions: There were no exceptions noted.

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

- Performance: Obtained the District's non-payroll disbursement transaction population and management's representation that the population is complete. Randomly selected 5 disbursements.
Exceptions: There were no exceptions noted.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the District.
Performance: Observed the 5 disbursements matched the related original invoice/billing statements.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the District's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the District's policy, and (b) approved by the required number of authorized signers per the District's policy.

Performance: Observed that selected disbursements were approved by authorized persons and required number of signers.

Exceptions: There were no exceptions noted.

6) Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

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

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards from management and management's representation that the listing is complete.

Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There was an exception noted due to the lack of evidence that someone reviewed and approved the required documentation.

6) Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards: (Continued)

- ii. Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: Observed finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, 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, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed if the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were exceptions noted due to the lack of an original itemized receipt that identifies precisely what was purchased for some transactions.

- ii. Written documentation of the business/public purpose.

Performance: Observed the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: Inspected the transactions from the monthly statements, and they did not have any individuals participating in meals.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained general ledger for travel and travel-related expense reimbursements and management's representation in a separate letter.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
Performance: Agreed reimbursement rate to those established by the U.S. General Services Administration.
Exceptions: There were no exceptions noted.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
Performance: Observed reimbursement supported by an original itemized receipt.
Exceptions: There were no exceptions noted.
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1A(vii)).
Performance: Observed each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
Exceptions: There were no exceptions noted.
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.
Performance: Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.
Exceptions: There were no exceptions noted.

8) Procedures Performed on the District's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract and:
Performance: Obtained 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 and management's representation that the listing is complete.
Exceptions: There were no exceptions noted.
- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Performance: Observed that the contracts selected were bid in accordance with the Louisiana Public Bid Law.
Exceptions: There were no exceptions noted.

8) Procedures Performed on the District's Contracts: (Continued)

- ii. Observe that the contract was approved by the governing body/District Council, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Performance: Inspected board meeting minutes and confirmed the board approved the contracts.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (i.e., if approval is required for any amendment, the documented approval).

Performance: Observed the contracts selected and noted no amendments.

Exceptions: There were no exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoiced to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

9) Procedures Performed on the District's Payroll and Personnel:

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

Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and selected one pay period to test leave taken during that period. Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

9) Procedures Performed on the District's Payroll and Personnel: (Continued)

- ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were exceptions noted due to a lack of approval of attendance and leave by supervisors.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

- iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.

Exceptions: There were no exceptions noted.

- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. Agree the hours to the employees'/officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the District's policy.

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. Agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' authorized rates in the employees' personnel file and agreed the termination payment to the District's policy for the two employees selected.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the District's Ethics:

- A. Using the 5 selected employees/officials from procedure #9 under "Procedures Performed on the District's Payroll and Personnel", obtain ethics compliance documentation from management and:
- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.
Performance: Inspected personnel files and ethics course completion certificates for the 5 employees tested.
Exceptions: There were exceptions noted due to some employees not completing one hour of ethics training during the fiscal period.
 - ii. Observe whether the District maintains documentation which demonstrates each employee and official were notified of any changes to the District's ethics policy during the fiscal period, as applicable.
Performance: There were no changes to the ethics policy during the year.
Exceptions: There were no exceptions noted.
- B. Inquire and/or observe whether the District has appointed an ethics designee as required by R.S. 42:1170.
Performance: We inquired as to whether the District appointed an ethics designee.
Exceptions: There were no exceptions noted.

11.) Procedures Performed on the District's Debt Service:

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period, none were noted.
Exceptions: The District did not issue any new debt during the fiscal period; therefore, there were no exceptions noted.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.
Performance: Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation in a separate letter.
Exceptions: There were no exceptions noted.

12) Procedures Performed on the District's Fraud Notice:

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

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- B. Observe the District 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.

Performance: Inquired of fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There was an exception noted due to the District lacking a notice concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Procedures Performed on the District's Information Technology Disaster Recovery/ Business Continuity:

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the District's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of person responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the District's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the District'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.

Performance: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the District's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

13) Procedures Performed on the District's Information Technology Disaster Recovery/ Business Continuity: (Continued)

- B. Randomly Select 5 terminated employees (or all terminated employees if less than 5) using a list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

14) Procedures Performed on the District's Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the District's Payroll and Personnel" #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Inquired about sexual harassment training documentation for the 5 employees tested.

Exceptions: There were exceptions noted due to no employees completing the sexual harassment training

- B. Observe the District has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the District's premises if the District does not have a website).

Performance: Inquired of management regarding the sexual harassment policy and complaint procedure on its website or on the entity's premises.

Exceptions: There was an exception noted due to the District's sexual harassment policy not being posted.

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

Performance: Obtained the District's annual sexual harassment report.

Exceptions: There was an exception noted due to the District not completing the annual report.

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

Performance: Requested the annual sexual harassment report to observe it contained the above requirement.

Exceptions: The District did not prepare or file its sexual harassment report during the fiscal year.

- ii. Number of sexual harassment complaints received by the agency.

Performance: Requested the annual sexual harassment report to observe it contained the above requirement.

Exceptions: The District did not prepare or file its sexual harassment report during the fiscal year.

14) Procedures Performed on the District's Prevention of Sexual Harassment: (Continued)

- iii. Number of complaints which resulted in a finding that sexual harassment occurred.
Performance: Requested the annual sexual harassment report to observe it contained the above requirement.
Exceptions: The District did not prepare or file its sexual harassment report during the fiscal year.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.
Performance: Requested the annual sexual harassment report to observe it contained the above requirement.
Exceptions: The District did not prepare or file its sexual harassment report during the fiscal year.
- v. Amount of time it took to resolve each complaint.
Performance: Requested the annual sexual harassment report to observe it contained the above requirement.
Exceptions: The District did not prepare or file its sexual harassment report during the fiscal year.

Management's Overall Response to Exceptions:

- 1)A(ii) Management will consider adding the required provision to the existing purchasing policy.
- 1)A(v) Management will consider adding the required provision to the existing payroll/personnel policy.
- 1)A(vi) Management will consider adding the required provisions to the existing contracting policy.
- 1)A(viii) Management will consider adding the required provisions to the existing credit cards policy.
- 1)A(ix) Management will consider adding the required provisions to the existing ethics policy.
- 1)A(x) Management will consider adding the required provisions to the existing debt service policy.
- 1)A(xi) Management will develop, and the Board will adopt an information technology disaster recovery/business continuity policy.
- 3)A(i) Management will consider preparing bank reconciliations and including evidence that the reconciliation was prepared within 2 months of the related statement closing date.
- 3)A(ii) Management will ensure that bank reconciliations include evidence that they were reviewed by member of management.

Management's Overall Response to Exceptions: (Continued)

- 4)B(ii) Management will consider reassigning responsibility for preparation of deposit slips to someone other than the person responsible for collecting cash.
- 4)B(iii) Management will consider reassigning responsibility for cash collections to someone other than the person posting transactions to the general ledger.
- 4)B(iv) Management will consider reassigning responsibility for cash collections to someone other than the person preparing bank reconciliations.
- 6)B(i) Management will consider reviewing and approving required documentation.
- 6)C(i) Management will ensure that transactions contain an original itemized receipt that identifies precisely what was purchased.
- 9)B(ii) Management will ensure that supervisors approve the attendance and leave of employees.
- 10)A(i) Management will ensure all employees will complete one hour of ethics training.
- 12)B Management will ensure that a notice concerning the reporting of misappropriation, fraud, waste, or abuse of public funds is posted.
- 14)A Management will ensure that all employees will complete one hour of sexual harassment training.
- 14)B Management will ensure that the sexual harassment policy and complaint procedure is posted on its website or premises.
- 14)C(i-v) Management will prepare and submit the annual sexual harassment report containing the applicable requirements of R.S. 42:344 on or before the February 1 deadline.