

*Financial Report*

*Terrebonne Parish Fire District No. 10*  
*Theriot, Louisiana*

*December 31, 2023*

*Financial Report*

*Terrebonne Parish Fire District No. 10*  
*Theriot, Louisiana*

*December 31, 2023*

# TABLE OF CONTENTS

## **Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

December 31, 2023

	<u>Page Numbers</u>
<b>Financial Section</b>	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 10
<b>Exhibits</b>	
Financial Statements:	
Government-Wide and Fund Financial Statements:	
A - Statement of Net Position and Governmental Fund Balance Sheet	11
B - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
C - Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	13 - 14
D - Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
E - Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	16 - 17
F - Notes to Financial Statements	18 - 46

**TABLE OF CONTENTS**  
**(Continued)**

Page  
Numbers

**Required Supplementary Information**

**Schedules**

1 - Schedule of Changes in the District's Total OPEB Liability and Related Ratios	47
2 - Schedule of the District's Proportionate Share of the Net Pension Liability	48
3 - Schedule of the District's Contributions	49

**Supplementary Information**

4 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	50
--	----

**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 <i>Government Auditing Standards</i>	51 - 52
Schedule of Findings and Responses	53

**Reports by Management**

Schedule of Prior Year Findings and Responses	54
Management's Corrective Action Plan	55

**Statewide Agreed-Upon Procedures**

Independent Accountant's Report on Applying Agreed-Upon Procedures	56 - 57
5 - Schedule of Procedure and Associated Findings of the Statewide Agreed-Upon Procedures	58 - 75

**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, 2023, 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, 2023 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 47 through 49 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 50 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 10, 2024 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 10, 2024.



# **MANAGEMENT’S DISCUSSION AND ANALYSIS**

## **Terrebonne Parish Fire District No. 10**

Theriot, Louisiana

December 31, 2023

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, 2023. 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 2023 by \$1,695,016 (net position), which represents a 25.59% increase from last fiscal year.

The District’s revenue increased \$11,566 (or 0.91%) primarily due to increases in ad valorem tax revenues, offset by a decrease in revenue from the Federal Emergency Management Agency (FEMA).

The District’s expenses decreased \$364,885 (or 28.02%) primarily due to decreases 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, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,695,016 a large portion of the District's net position (148.18%) 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**

	<u>December 31,</u>		<u>Dollar</u>
	<u>2023</u>	<u>2022</u>	<u>Change</u>
Current and other assets	\$ 1,383,962	\$ 1,557,371	\$(173,409)
Capital assets	2,511,787	2,481,878	29,909
Deferred outflows of resources	<u>606,857</u>	<u>377,468</u>	<u>229,389</u>
Total assets and deferred outflows of resources	<u>4,502,606</u>	<u>4,416,717</u>	<u>85,889</u>
Current and other liabilities	30,390	118,215	(87,825)
Long-term liabilities	1,114,511	1,024,564	89,947
Deferred inflows of resources	<u>1,662,689</u>	<u>1,924,265</u>	<u>(261,576)</u>
Total liabilities and deferred inflows of resources	<u>2,807,590</u>	<u>3,067,044</u>	<u>(259,454)</u>
Net position:			
Net investment in capital assets	2,511,787	2,396,878	114,909
Restricted	-	20,053	(20,053)
Unrestricted	<u>(816,771)</u>	<u>(1,067,258)</u>	<u>250,487</u>
Total net position	<u>\$ 1,695,016</u>	<u>\$ 1,349,673</u>	<u>\$ 345,343</u>

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

Governmental activities increased the District's net position by \$345,343. Key elements of this increase are as follows:

**Condensed Statements of Activities**

	For the Year Ended		Dollar Change	Total Percent Change
	December 31, 2023	December 31, 2022		
<b>Revenues:</b>				
Taxes	\$ 1,086,564	\$ 971,167	\$ 115,397	11.88%
Intergovernmental:				
FEMA	63,932	165,349	(101,417)	-61.34%
State revenue sharing	15,360	16,029	(669)	-4.17%
Fire insurance tax	23,729	28,538	(4,809)	-16.85%
Supplemental pay	35,677	34,846	831	2.38%
Miscellaneous	57,327	55,094	2,233	4.05%
Total revenues	<u>1,282,589</u>	<u>1,271,023</u>	<u>11,566</u>	0.91%
<b>Expenses:</b>				
General government	34,978	54,905	(19,927)	-36.29%
Public safety	900,673	1,242,939	(342,266)	-27.54%
Debt service	1,595	4,287	(2,692)	-62.79%
Total expenses	<u>937,246</u>	<u>1,302,131</u>	<u>(364,885)</u>	-28.02%
Decrease in net position	345,343	(31,108)	376,451	-1210.14%
<b>Net position:</b>				
Beginning of year	1,349,673	2,025,279	(675,606)	-33.36%
Restatement	-	(644,498)	644,498	-100.00%
Beginning of year, as restated	<u>1,349,673</u>	<u>1,380,781</u>	<u>(31,108)</u>	-2.25%
End of year	<u>\$ 1,695,016</u>	<u>\$ 1,349,673</u>	<u>\$ 345,343</u>	25.59%

In 2023, the District's tax revenue increased due to increased assessments. Intergovernmental revenue decreased primarily due to a decrease in FEMA revenue. Public safety expenses decreased primarily due to decreases in personal services, due to the District's participation in the Firefighter's Retirement System and other post-employment benefits and adjustments related to benefit balances in the current year.

## **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 General Fund reported an ending fund balance of \$365,717, which is a decrease of \$107,204 in comparison with the prior year. The total fund balance is available for spending at the District's discretion.

### **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**

- Ad valorem tax revenues increased by \$119,356 to better reflect the actual revenue received.
- FEMA revenues were increased \$73,578 to better reflect the amounts received from FEMA reimbursements.
- Miscellaneous revenues were increased by \$109,146 to better reflect the revenues received.

#### **Expenditures**

- Personal services increased by \$42,284 to better reflect payroll and benefit related expenses incurred by the District.
- Supplies and materials increased by \$14,300 to better reflect actual expenses
- Other services and charges increased by \$69,088 to better reflect actual expenses.
- Repairs and maintenance increased by \$133,500 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 less 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, 2023, amounts to \$2,511,787 (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>2023</u>	<u>2022</u>
Land	\$ 65,967	\$ 65,967
Buildings and improvements	1,878,501	1,949,936
Office furniture, fixtures, and equipment	692	885
Trucks, machinery and equipment	<u>566,627</u>	<u>465,090</u>
Totals	<u><u>\$2,511,787</u></u>	<u><u>\$2,481,878</u></u>

Major capital asset additions during the current fiscal year included a 2023 Chevrolet Silverado and accessories in the amount of \$49,008, and purchases of equipment for \$161,483.

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, 2023, the District had paid off its \$85,000 in general obligation bonds payable. See further explanation of these obligations in Note 8, Exhibit F of this report.

As of December 31, 2023, the District has a net pension liability that increased by \$93,672 during 2023 to a balance of \$913,498 as of December 31, 2023. More detailed information about the District's net pension liability is presented in Note 10, Exhibit F of this report. Other post-employment benefit obligations increased \$4,611 to \$187,566 as of December 31, 2023 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 2023 assessment, which the District will receive, for the most part, in January 2024. The 2023 assessment of 23 mills is construction, maintenance and operation of the fire protection facilities. Ad valorem taxes are projected to remain at \$968,000.
- Salaries and wages include a 2% state mandated increase for all firemen with three or more years of service.
- Property, auto, and liability insurance is expected to increase due to an increase in property coverage and expected premium increases.
- 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**

Theriot, Louisiana

December 31, 2023

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>					
Cash	\$ 414,427	\$ 1,431	\$ 415,858	\$ -	\$ 415,858
Receivables:					
Taxes	252,072	-	252,072	-	252,072
Other receivables	5,060	-	5,060	-	5,060
Due from other governmental units	710,972	-	710,972	-	710,972
Due from other funds	1,431	-	1,431	(1,431)	-
Capital assets:					
Non-depreciable	-	-	-	65,967	65,967
Depreciable, net of accumulated depreciation	-	-	-	2,445,820	2,445,820
Total current assets	<u>1,383,962</u>	<u>1,431</u>	<u>1,385,393</u>	<u>2,510,356</u>	<u>3,895,749</u>
<b>Deferred Outflows of Resources</b>					
Pension	-	-	-	377,939	377,939
Other postemployment benefits	-	-	-	228,918	228,918
Total assets and deferred outflows of resources	<u>\$ 1,383,962</u>	<u>\$ 1,431</u>	<u>\$ 1,385,393</u>	<u>3,117,213</u>	<u>4,502,606</u>
<b>Liabilities</b>					
Accounts payables and accrued expenditures	\$ 30,390	\$ -	\$ 30,390	-	30,390
Due to other funds	-	1,431	1,431	(1,431)	-
Long-term liabilities:					
Due after one year	-	-	-	1,114,511	1,114,511
Total liabilities	<u>30,390</u>	<u>1,431</u>	<u>31,821</u>	<u>1,113,080</u>	<u>1,144,901</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	987,855	-	987,855	-	987,855
Pensions	-	-	-	221,588	221,588
Other postemployment benefits	-	-	-	453,246	453,246
Total deferred inflows of resources	<u>987,855</u>	<u>-</u>	<u>987,855</u>	<u>674,834</u>	<u>1,662,689</u>
Total liabilities and deferred inflows of resources	<u>1,018,245</u>	<u>1,431</u>	<u>1,019,676</u>	<u>1,787,914</u>	<u>2,807,590</u>
<b>Fund Balances/Net Assets</b>					
Fund balances:					
Unassigned	365,717	-	365,717	(365,717)	-
Total liabilities and fund balances	<u>\$ 1,383,962</u>	<u>\$ 1,431</u>	<u>\$ 1,385,393</u>		
Net position:					
Net investment in capital assets				2,511,787	2,511,787
Unrestricted				(816,771)	(816,771)
Total net position				<u>\$ 1,695,016</u>	<u>\$ 1,695,016</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**

Theriot, Louisiana

December 31, 2023

<b>Fund Balances - Governmental Fund</b>		<b>\$ 365,717</b>
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	\$ 4,882,485	
Less accumulated depreciation	<u>(2,370,698)</u>	2,511,787
Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental funds.		
Pensions	377,939	
Other postemployment benefits obligation	<u>228,918</u>	606,857
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(13,447)	
Other postemployment benefits liability	(187,566)	
Net pension liability	<u>(913,498)</u>	(1,114,511)
Deferred inflows of resources are not due and payable in the current period and are not reported in governmental funds.		
Pensions	(221,588)	
Other postemployment benefits	<u>(453,246)</u>	<u>(674,834)</u>
<b>Net Position of Governmental Activities</b>		<b><u><u>\$ 1,695,016</u></u></b>

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**

Theriot, Louisiana

For the year ended December 31, 2023

	General Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>					
Taxes	\$ 999,639	\$ 86,925	\$ 1,086,564	\$ -	\$ 1,086,564
Intergovernmental:					
State of Louisiana:					
FEMA	63,932	-	63,932	-	63,932
State revenue sharing	15,360	-	15,360	-	15,360
Fire insurance tax	23,729	-	23,729	-	23,729
Supplemental pay	35,677	-	35,677	-	35,677
Miscellaneous:					
Interest	4,388	1,170	5,558	-	5,558
Sale of fixed assets	6,400	-	6,400	-	6,400
Other	38,871	166	39,037	-	39,037
Total revenues	<u>1,187,996</u>	<u>88,261</u>	<u>1,276,257</u>	<u>-</u>	<u>1,276,257</u>
<b>Expenditures/Expenses</b>					
Current:					
General government:					
Ad valorem tax deductions	32,180	2,798	34,978	-	34,978
Total general government	<u>32,180</u>	<u>2,798</u>	<u>34,978</u>	<u>-</u>	<u>34,978</u>
Public safety:					
Personal services	761,082	-	761,082	(357,691)	403,391
Supplies and materials	48,102	-	48,102	-	48,102
Other services and charges	138,288	-	138,288	-	138,288
Repairs and maintenance	130,310	-	130,310	-	130,310
Depreciation	-	-	-	180,582	180,582
Total public safety	<u>1,077,782</u>	<u>-</u>	<u>1,077,782</u>	<u>(177,109)</u>	<u>900,673</u>
Debt service:					
Principal retirement	-	85,000	85,000	(85,000)	-
Interest and fiscal charges	-	2,686	2,686	(1,091)	1,595
Total debt service	<u>-</u>	<u>87,686</u>	<u>87,686</u>	<u>(86,091)</u>	<u>1,595</u>
Capital outlay	210,491	-	210,491	(210,491)	-
Total expenditures/expenses	<u>1,320,453</u>	<u>90,484</u>	<u>1,410,937</u>	<u>(473,691)</u>	<u>937,246</u>

**Exhibit C  
(Continued)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(132,457)	(2,223)	(134,680)	473,691	339,011
<b>Other Financing Sources (Uses)</b>					
Transfers-in	18,921	-	18,921	(18,921)	-
Transfers-out	-	(18,921)	(18,921)	18,921	-
Proceeds from insurance claim	6,332	-	6,332	-	6,332
<b>Net Change in Fund Balance</b>	(107,204)	(21,144)	(128,348)	128,348	-
<b>Change in Net Position</b>	-	-	-	345,343	345,343
<b>Fund Balances/Net Position</b>					
Beginning of year	472,921	21,144	494,065	855,608	1,349,673
End of year	<u>\$ 365,717</u>	<u>\$ -</u>	<u>\$ 365,717</u>	<u>\$ 1,329,299</u>	<u>\$ 1,695,016</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**  
Theriot, Louisiana

For the year ended December 31, 2023

**Net Change in Fund Balances - Governmental Funds** \$ (128,348)

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	\$ 210,491	
Depreciation expense	<u>(180,582)</u>	29,909

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		85,000
--------------------	--	--------

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		1,091
--------------------------------------	--	-------

Some expenses reported in the Statement of Activities  
do not require the use of current financial resources  
and, therefore, are not reported as expenditures in  
governmental fund.

Other postemployment benefit	143,790	
Decrease in compensated absences	8,336	
Pension benefit	<u>205,565</u>	<u>357,691</u>

**Change in Net Position of Governmental Activities** **\$ 345,343**

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**  
Theriot, Louisiana

For the year ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$850,000	\$ 969,356	\$ 999,639	\$ 30,283
Intergovernmental:				
State of Louisiana:				
FEMA	-	73,578	63,932	(9,646)
State revenue sharing	15,875	15,360	15,360	-
Fire insurance tax	15,500	23,728	23,729	1
Supplemental pay	-	-	35,677	35,677
Miscellaneous:				
Interest	200	2,500	4,388	1,888
Sale of fixed assets	-	-	6,400	6,400
Other	-	109,146	38,871	(70,275)
	<u>881,575</u>	<u>1,193,668</u>	<u>1,187,996</u>	<u>(5,672)</u>
Total revenues				
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax deductions	-	-	32,180	(32,180)
	<u>-</u>	<u>-</u>	<u>32,180</u>	<u>(32,180)</u>
Total general government				
Public safety:				
Personal services	733,976	776,260	761,082	15,178
Supplies and materials	22,500	36,800	48,102	(11,302)
Other services and charges	89,300	158,388	138,288	20,100
Repairs and maintenance	33,500	167,000	130,310	36,690
	<u>879,276</u>	<u>1,138,448</u>	<u>1,077,782</u>	<u>60,666</u>
Total public safety				
Capital outlay	<u>-</u>	<u>136,552</u>	<u>210,491</u>	<u>(73,939)</u>
Total expenditures	<u>879,276</u>	<u>1,275,000</u>	<u>1,320,453</u>	<u>(45,453)</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	2,299	(81,332)	(132,457)	(51,125)
<b>Other Financing Sources</b>				
Transfers-in	-	-	18,921	-
Proceeds from insurance claim	-	6,332	6,332	-
<b>Net Change in Fund Balances</b>	2,299	(75,000)	(107,204)	(51,125)
<b>Fund Balance</b>				
Beginning of year	439,756	472,921	472,921	-
End of year	\$442,055	\$ 397,921	\$ 365,717	\$(51,125)

See notes to financial statements.

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

Theriot, Louisiana

December 31, 2023

**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, 2023.

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.

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.

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

**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.

**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.



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

**c) Measurement Focus and Basis of Accounting (Continued)**

**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 2023 property taxes which are being levied to finance the 2024 budget will be recognized as revenue in 2024. The 2023 tax levy is recorded as deferred inflows of resources (unavailable revenue) in the District's 2023 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, 2023.

**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 hired after July 1, 2014 receive 18 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 52 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, 2023.

**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."

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

**n) Equity (Continued)**

**Government-Wide Statements (Continued)**

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.

**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 non-spendable 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 unassigned as of December 31, 2023.

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

**o) New GASB Statements**

During the year ended December 31, 2023, the District implemented the following GASB Statements:

Statement 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 non-financial 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 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. This Statement did not affect the District’s 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. This Statement did not affect the District’s financial statements.

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

**o) New GASB Statements (Continued)**

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

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 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.

Statement No. 102, “*Certain Risk Disclosures*” defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.



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

**o) New GASB Statements (Continued)**

Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

**Note 2 - 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.

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>\$439,710</u>	<u>\$415,858</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, 2023, \$189,710 of the District’s bank balance of \$439,710 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, 2023, 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 3 - 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, 2023 was \$23.00 per \$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, 2023 are for budgeted expenditures in 2024 and will be recognized as revenues in 2024.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units as of December 31, 2023 consisted of the following:

	General Fund	Debt Service Fund	Totals
State of Louisiana:			
State revenue sharing	\$ 9,756	\$ -	\$ 9,756
Terrebonne Parish Tax Collector - December, 2023 collections remitted to the District in January, 2024:			
Ad valorem taxes	696,338	-	696,338
State revenue sharing	4,878	-	4,878
Totals	\$710,972	\$ -	\$710,972

**Note 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>
Capital assets not being depreciated:				
Land	\$ 65,967	\$ -	\$ -	\$ 65,967
Capital assets being depreciated:				
Buildings and improvements	2,737,041	-	(2,240)	2,734,801
Trucks	1,511,119	49,008	-	1,560,127
Machinery and equipment	397,096	161,483	(43,911)	514,668
Office furniture, fixtures, and equipment	<u>17,868</u>	<u>-</u>	<u>(10,946)</u>	<u>6,922</u>
Total capital assets being depreciated	<u>4,663,124</u>	<u>210,491</u>	<u>(57,097)</u>	<u>4,816,518</u>
Less accumulated depreciation for:				
Buildings and improvements	(787,105)	(71,435)	2,240	(856,300)
Trucks	(1,127,996)	(85,068)	-	(1,213,064)
Machinery and equipment	(315,129)	(23,886)	43,911	(295,104)
Office furniture, fixtures, and equipment	<u>(16,983)</u>	<u>(193)</u>	<u>10,946</u>	<u>(6,230)</u>
Total accumulated depreciation	<u>(2,247,213)</u>	<u>(180,582)</u>	<u>57,097</u>	<u>(2,370,698)</u>
Total capital assets being depreciated, net	<u>2,415,911</u>	<u>29,909</u>	<u>-</u>	<u>2,445,820</u>
Total capital assets, net	<u>\$2,481,878</u>	<u>\$ 29,909</u>	<u>\$ -</u>	<u>\$2,511,787</u>

In 2023, the District purchased a 2023 Chevrolet Silverado, new gear for firefighters and new radios.

Depreciation amounting to \$180,582 was recorded as public safety expenses for the year ended December 31, 2023.

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenditures as of December 31, 2023 are presented below:

	General Fund	Adjustments	Totals
Governmental fund:			
Salaries and benefits	\$12,432	\$ -	\$12,432
Vendors	17,958	-	17,958
Totals	\$30,390	\$ -	\$30,390

**Note 7 - DUE TO/FROM OTHER FUNDS**

Due to/from other funds are listed by fund for the year ended December 31, 2023:

	Receivable Fund	Payable Fund
General Fund	\$1,431	\$ -
Debt Service Fund	\$ -	\$1,431

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

**Note 8 - LONG-TERM OBLIGATIONS**

Through December 31, 2023, the District has recognized obligations in the amount of \$13,447 for compensated absences as further described in Note 1k.

Through December 31, 2023, the District has recognized obligations in the amount of \$187,566 for other postemployment benefits as further described in Note 9.

Through December 31, 2023, the District has recognized obligations in the amount of \$913,498 for the defined benefit pension plan as further described in Note 10.

**Note 8 - LONG-TERM OBLIGATIONS (Continued)**

The following is a summary of the long-term debt transactions of the District for the year ended December 31, 2023:

	Payable January 1, 2023	Issuances	Obligations Retired	Payable December 31, 2023
Compensated absences	\$ 21,783	\$ -	\$ 8,336	\$ 13,447
General obligation bonds Series 2008	85,000	-	85,000	-
Other postemployment benefits	182,955	4,611	-	187,566
Defined benefit pension plan	819,826	93,672	-	913,498
Total long-term obligations	\$1,109,564	\$98,283	\$93,336	\$1,114,511

**Note 9 - 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 9 - 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>7</u>

The District’s total OPEB liability of \$187,566 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

**Total OPEB Liability**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability as of December 31, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

**Note 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

<b>Measurement Date</b>	December 31, 2023
<b>Actuarial Valuation Date</b>	January 1, 2022
<b>Inflation</b>	2.50%
<b>Salary Increases, Including Inflation</b>	3.00%
<b>Discount Rate</b>	3.77%
<b>Healthcare Cost Trend Rates</b>	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, 2023 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 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

	<u>Total OPEB Liability</u>
Balance as of December 31, 2022	\$ 182,955
Changes for the year:	
Service cost	2,825
Interest	7,475
Difference between expected and actual experience	1,314
Changes in assumptions and other inputs	(1,728)
Change in proportion	3,161
Benefit payments	<u>(8,436)</u>
Net changes	<u>4,611</u>
Balance as of December 31, 2023	<u><u>\$ 187,566</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	Current Discount Rate	1.00% Increase
	<u>(2.77%)</u>	<u>(3.77%)</u>	<u>(4.77%)</u>
Total OPEB Liability	<u>\$ 219,889</u>	<u>\$ 187,566</u>	<u>\$ 161,852</u>



**Note 9 - 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.

	<u>1.00%</u> <u>Decrease</u>	Current Healthcare Cost Trend Rate	<u>1.00%</u> <u>Increase</u>
Total OPEB Liability	<u>\$157,782</u>	<u>\$187,566</u>	<u>\$226,407</u>

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

For the year ended December 31, 2023 the District recognized OPEB expense of \$143,790. As of December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 12,354	\$ (7,672)
Change in assumptions	1,130	(60,904)
Change in proportion	<u>215,434</u>	<u>(384,670)</u>
Totals	<u>\$228,918</u>	<u>\$(453,246)</u>

**Note 9 - 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 December 31,</u>	<u>Amount</u>
2024	\$ (76,245)
2025	(76,245)
2026	(88,778)
2027	<u>16,940</u>
Total	<u><u>\$(224,328)</u></u>

**Note 10 - 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 10 - 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. 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.

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

**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 one dollar 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, 2023, the employer contribution rate for employees above the poverty line/below the poverty line for the period January 1, 2023 through June 30, 2023 was 33.25%/35.25% and 33.25%/35.25% for the period July 1, 2023 through December 31, 2023. 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, 2023, were \$131,316, equal to the required contributions for the year.

**Pension Liabilities** - As of December 31, 2023, the District reported a liability of \$913,498 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 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, 2023, the District's proportion was 0.1400% which was an increase of 0.0237% from its proportion measured as of June 30, 2022.

**Pension Expense** - For the year ended December 31, 2023, the District recognized pension expense of \$74,249.

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - As of December 31, 2023, 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	\$ 28,520	\$ (31,297)
Change in assumptions	55,275	-
Change in proportion	104,855	(190,291)
Net difference between projected and actual earnings on pension plan investments	123,813	-
Contributions subsequent to the measurement date:		
Current year	<u>65,476</u>	<u>-</u>
	<u>\$377,939</u>	<u>\$(221,588)</u>

The District reported \$65,476 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, 2023. 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>
2024	\$ 7,435
2025	(12,350)
2026	89,556
2027	(26,973)
2028	11,766
2029	<u>21,441</u>
Total	<u>\$90,875</u>

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

**Actuarial Assumptions** - The actuarial assumptions used in the June 30, 2023 valuation were based on the assumptions used in the June 30, 2023 actuarial funding valuation. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

<b>Valuation Date</b>	June 30, 2023
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Estimated Remaining Service Life</b>	7 years, closed period
<b>Investment Rate of Return</b>	6.90% per annum (net of investment expenses, including inflation).
<b>Inflation Rate</b>	2.50% per annum
<b>Salary Increases</b>	14.10% in the first two years of service and 5.20% with three or more years of service; includes inflation and merit increases.
<b>Cost of Living Adjustments</b>	Only those previously granted.

For the June 30, 2023 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 10 - DEFINED BENEFIT PLAN (Continued)**

The June 30, 2023, 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 2023 and the Curran Actuarial Consulting average study for 2023. 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, 2023.

**Note 10 - DEFINED BENEFIT PLAN (Continued)**

Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 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	29.50%	6.24%
Non-U.S. Equity	11.50%	6.49%
Global Equity	10.00%	6.49%
Emerging Market Equity	5.00%	8.37%
Fixed Income:		
U.S. Core Fixed Income	20.00%	1.89%
U.S. TIPS	2.00%	1.72%
Emerging Market Debt	2.00%	4.30%
Multisector Fixed Income	2.00%	***
Alternatives:		
Real Estate	6.00%	4.41%
Real Assets	3.00%	5.62%
Private Equity	9.00%	9.57%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	0.00%	4.02%
	100.00%	

**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.



**Note 10 - DEFINED BENEFIT PLAN (Continued)**

**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, 2023.

	<u>1% Decrease 5.90%</u>	<u>Current Discount Rate 6.90%</u>	<u>1% Increase 7.90%</u>
District’s proportionate share of the net pension liability	<u>\$ 1,409,254</u>	<u>\$ 913,498</u>	<u>\$ 500,016</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.ffret.com](http://www.ffret.com).

**Note 11 - 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 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.

**Note 11 - SUPPLEMENTAL PAY (Continued)**

As of December 31, 2023, the District has recognized revenue and expenditures of \$35,677 in salary supplements that the State of Louisiana has paid directly to the District's employees.

**Note 12 - 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 2022 was \$14,903,118. 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, \$3,044,672 as of December 31, 2022, then secondly by the District. As of December 31, 2023, 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, 2023 totaled \$113,733.

**Note 13 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to Board Members for the year ended December 31, 2023:

Board Members	Number of Meetings Attended	Per Diem
Jimmy Verret, Jr.	10	\$ 300
Regina Pierron	9	270
Davon Charles	4	120
Sam Small, Jr.	11	330
Carroll Hebert	12	360
Total		\$1,380

**Note 14 - STATE OF LOUISIANA TAX ABATEMENTS**

The District's ad valorem tax revenues were reduced by \$41,696 under agreements entered into by the State of Louisiana.

**Note 15 - 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 10, 2024, 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**  
Theriot, Louisiana

For the four years ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total OPEB liability</b>				
Service cost	\$ 2,825	\$ 5,836	\$ 15,507	\$ 18,461
Interest	7,475	4,626	13,425	21,278
Changes of benefit terms				
Difference between expected and actual experience	1,314	18,518	(2,192)	(93,180)
Changes in assumptions or other inputs	(1,728)	(88,858)	7,598	(67,029)
Change in proportion	3,161	(445,183)	39,849	773,057
Benefit payments	<u>(8,436)</u>	<u>(6,614)</u>	<u>(17,685)</u>	<u>(14,459)</u>
<b>Net Change in Total OPEB Liability</b>	4,611	(511,675)	56,502	638,128
Beginning of year	<u>182,955</u>	<u>694,630</u>	<u>638,128</u>	<u>-</u>
End of year	<u>\$ 187,566</u>	<u>\$ 182,955</u>	<u>\$ 694,630</u>	<u>\$ 638,128</u>
<b>Covered Employee Payroll</b>	<u>\$ 423,868</u>	<u>\$ 334,181</u>	<u>\$ 334,181</u>	<u>\$ 493,399</u>
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	<u>44.25%</u>	<u>54.75%</u>	<u>207.86%</u>	<u>129.33%</u>
<b>Notes to Schedule</b>				
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period.	<u>3.77%</u>	<u>4.05%</u>	<u>1.84%</u>	<u>2.00%</u>

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**  
Theriot, Louisiana

For the nine years ended December 31, 2023

	<u>2023</u>	<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	<u>0.1400%</u>	<u>0.1163%</u>	<u>0.1257%</u>	<u>0.1657%</u>	<u>0.1680%</u>	<u>0.1764%</u>	<u>0.1775%</u>	<u>0.1712%</u>	<u>19.3600%</u>
District's proportionate share of the net pension liability	<u>\$913,498</u>	<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>\$375,718</u>	<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	<u>243.13%</u>	<u>272.43%</u>	<u>127.01%</u>	<u>278.42%</u>	<u>259.09%</u>	<u>241.60%</u>	<u>245.49%</u>	<u>290.09%</u>	<u>249.33%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>77.69%</u>	<u>74.68%</u>	<u>86.78%</u>	<u>72.61%</u>	<u>73.96%</u>	<u>74.76%</u>	<u>73.55%</u>	<u>68.16%</u>	<u>72.45%</u>

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

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

For the nine years ended December 31, 2023

	<u>2023</u>	<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	\$ 131,316	\$ 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>131,316</u>	<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>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 394,934</u>	<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	<u>33.25%</u>	<u>33.49%</u>	<u>32.97%</u>	<u>29.92%</u>	<u>27.13%</u>	<u>26.50%</u>	<u>25.89%</u>	<u>26.24%</u>	<u>28.38%</u>

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**  
Theriot, Louisiana

December 31, 2023

**Agency Head Name:** Bryan Hebert, Fire Chief

**Purpose:**

Salary	\$ 84,008
Benefits - insurance	13,850
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	-
	<hr/>
	<b><u><u>\$ 97,858</u></u></b>

Note:

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

**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, 2023, and the related notes to the financial statements, which collectively comprise the District’s financial statements and have issued our report thereon dated May 10, 2024.

**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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

## **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, non-compliance 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 no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
May 10, 2024.

**SCHEDULE OF FINDINGS AND RESPONSES**

**Terrebonne Parish Fire District No. 10**  
Theriot, Louisiana

For the year ended December 31, 2023

**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, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

**Section II - Financial Statement Findings**

No financial statement findings were noted during the audit for the year ended December 31, 2023.

**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 Theriot, Louisiana**

For the year ended December 31, 2023

#### **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**

**Auditor's 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 Response: Resolved.** The District amended its budget to ensure actual revenues and expenditures did not create an unfavorable balance.

#### **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, 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.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **Terrebonne Parish Fire District No. 10 Theriot, Louisiana**

For the year ended December 31, 2023

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

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

No material weaknesses were reported during the audit for the year ended December 31, 2023.

No significant deficiencies were reported during the audit for the year ended December 31, 2023.

#### **Internal Control Over Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2023.

### **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, 2023, 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, 2023.



**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, 2023 through December 31, 2023. 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, 2023 through December 31, 2023. 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
May 10, 2024.

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

**Terrebonne Parish Fire District No. 10**  
 Theriot, Louisiana

For the year ended December 31, 2023

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 and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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 and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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 and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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 and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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 and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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.

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

- x. **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 not having this policy.

- 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, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue 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 within 1 month of the date the reconciliation was prepared (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 no exceptions noted.

**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 no exceptions noted.



**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 no exceptions noted.

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 no exceptions noted.

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 two deposit dates for each of the District's 3 bank accounts selected for procedures #3 under "Procedures Performed on the District's Bank Reconciliations" (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.

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.

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

- 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 week of receipt.  
Exceptions: There was an exception noted due to one deposit made more than a week after receipt.

- 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, 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 2 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, 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, 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 no exceptions noted.

- 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 that the listing is complete. No travel related expense reimbursements noted.

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](http://www.gsa.gov)).  
Performance: No travel related expense reimbursements noted in the fiscal year.  
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: No travel related expense reimbursements noted in the fiscal year.  
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: No travel related expense reimbursements noted in the fiscal year.  
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: No travel related expense reimbursements noted in the fiscal year.  
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 whether 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 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. Randomly select 5 employees/officials, obtained related 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, 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 was an exception noted due to the Chief approving his own time sheet.

- 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 employees selected.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums, etc.) 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 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics 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 no exceptions noted.
  - 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 fiscal year.  
Exceptions: There were no exceptions noted.
- A. 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. There are no bonds outstanding.  
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 personal 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.

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

- 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.

- 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.

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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 no exceptions noted.

- 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.

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

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 were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

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

Exceptions: There were no exceptions noted.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

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

Exceptions: There were no exceptions noted.

v. Amount of time it took to resolve each complaint.

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

Exceptions: There were no exceptions noted.

**Management's Overall Response to Exceptions:**

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.

**Management's Overall Response to Exceptions: (Continued)**

- 4)D.iv. Management will ensure that deposits are made within one week of receipt.
- 6)B.i. Management will consider reviewing and approving required credit card documentation.
- 9)B.ii. Management will consider having a board member approve the Chief's time sheets.
- 12)B. Management will ensure that a notice concerning the reporting of misappropriation, fraud, waste, or abuse of public funds is posted.
- 14)B. Management will ensure that the sexual harassment policy and complaint procedure is posted on its website or premises.