



THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.

Financial Statements and Independent Auditor's Report

As of and for the Year Ended November 30, 2023



(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

**Financial Statements and
Independent Auditor's Report**

As of and for the year ended November 30, 2023

TABLE OF CONTENTS

	Statement	Page
Independent Auditor's Report on the Financial Statements		2
Financial Section		
Financial Statements:		
Statement of Financial Position	A	5
Statement of Activities	B	6
Statement of Functional Expenses	C	7
Statement of Cash Flows	D	8
Notes to the Financial Statements		9
	Schedule	Page
Supplemental Information:		
Fair Support Revenue and Expenses	1	21
Operation and Maintenance Expenses of Fire Fighting Equipment	2	22
Schedule of Compensation, Benefits and Other Payments to Agency Head	3	23
Reports by Management		
Summary Schedule of Prior Audit Findings		24
Summary Schedule of Current Audit Findings and Management's Response		25
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>		26



INDEPENDENT AUDITOR'S REPORT

To the Board
Thibodaux Volunteer Fire Department, Inc.
Thibodaux, Louisiana

Opinion

We have audited the accompanying financial statements of Thibodaux Volunteer Fire Department, Inc. (a nonprofit organization) (the Department), which comprise the statement of financial position as of November 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Thibodaux Volunteer Fire Department, Inc. as of November 30, 2023, and the changes in its net assets and its cash flows 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 Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial 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 Department'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 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 judgement 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 Department'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 Department'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules listed as supplemental information in the table of contents on page 21 through 23 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 22, 2024, on our consideration of the Thibodaux Volunteer Fire Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Thibodaux Volunteer Fire Department's internal control over financial reporting and compliance.



Thibodaux, Louisiana
May 22, 2024

Financial Section
Financial Statements

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

Statement of Financial Position
November 30, 2023

Assets**Current Assets:**

Cash	\$	2,568,639
Certificates of Deposit		3,453,210
Receivables		18,250
Due from South Thibodaux Fire Co.		5,000
Accrued interest		4,466
		<hr/>
Total Current Assets		6,049,566

Long-Term Assets:

Certificates of Deposit		3,085,297
Advances to Fire Companies		20,000
Property and Equipment (Net)		6,514,911
Land		1,330,748
		<hr/>
Total Long-Term Assets		10,950,956

Total Assets	\$	17,000,522
		<hr/> <hr/>

Liabilities and Net Assets**Current Liabilities:**

Accounts Payable	\$	51,996
Deferred Revenue		1,000
		<hr/>
Total Current Liabilities/Total Liabilities		52,996

Net Assets:

With donor restrictions		5,423,089
Without donor restrictions		11,524,437
		<hr/>
Total Net Assets		16,947,527
		<hr/>
Total Liabilities and Net Assets	\$	17,000,522
		<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

Statement of Activities
For the Year Ended November 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Firemen's Fair Support, Net Proceeds (See Sch 1)	\$ 1,299,225		\$ 1,299,225
Interest Earnings	117,745		117,745
Rental Income	10,500		10,500
Private Grants & Cash Donations	128,068	\$ 33,650	161,718
Local Governments	-	698,536	698,536
Property Tax	-	855,434	855,434
Cooperative Endeavor Agreement (See note 7)	-	230,238	230,238
Miscellaneous Income	9,865	-	9,865
Released from Donor Restrictions	554,229	(554,229)	-
	2,119,632	1,263,628	3,383,260
Total Revenue and Other Support			
Expenses:			
Program Service - Fire Protection:			
Operation and Maintenance of Fire			
Stations & Equipment (See Schedule 2)	276,964		276,964
Utilities	127,306		127,306
Fire Training and Prevention	74,833		74,833
Depreciation	719,698		719,698
Other Fire Fighting Equipment and			
Related Expenses	106,566		106,566
Rental Expenses	4,025		4,025
Loss on the Disposal of Assets	124,704		124,704
Supporting Services:			
General and Administrative (See Schedule 3)	495,837		495,837
	1,929,934	-	1,929,934
Total Expenses			
Increase (Decrease) in Net Assets	189,698	1,263,628	1,453,327
Net Assets, Beginning of Year	11,334,739	4,159,461	15,494,200
Net Assets, End of Year	\$ 11,524,437	\$ 5,423,089	\$ 16,947,527

The accompanying notes are an integral part of the financial statements.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

Statement of Functional Expenses
For the Year Ended November 30, 2023

Program Services:	
Fire protection -	
Gas, Oil, Etc.	\$ 11,927
Truck and Vehicle Maintenance	123,255
Station Maintenance	30,021
Truck House Repairs	-
Equipment Expense	8,858
Pagers	-
Fundraising Proceeds	101,993
Compressor & Bottle Maintenance	-
Utilities - Fire Stations	127,306
Fire Training and Prevention	74,833
Other Fire Fighting Equipment and Related Expenses	107,477
Depreciation	719,698
Rental Expenses	
Operation	4,025
Loss on the Disposal of Assets	124,704
Total program services	<u>1,434,097</u>
Supporting Services:	
Management and general -	
Insurance	223,999
Depreciation	96,772
Accounting and auditing fees	30,980
Legal and Professional fees	5,357
Conventions and Meetings	18,306
Repair and Maintenance	40,332
Telephone & Data Communications	14,843
Office Supplies and Expense	1,345
Shirts, Badges, Plaques, etc.	9,231
Bad Debt	2,647
Miscellaneous	17,961
Grass Cutting	11,980
Information Technology	22,083
Total supporting services	<u>495,837</u>
Total Expenses	<u><u>\$ 1,929,934</u></u>

The accompanying notes are an integral part of the financial statements.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

Statement of Cash Flows
For the Year Ended November 30, 2023

Cash Flows From Operating Activities:	
Increase (Decrease) In Net Assets	\$ 1,453,327
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:	
Expenses not requiring cash:	
Depreciation	816,470
Bad Debt	2,647
Loss on Disposal of Assets	124,704
Income not providing cash:	
Cooperative Eandevor - South Thibodaux Co.	(200,000)
(Increase) Decrease In Operating Assets:	
Due from South Thibodaux Fire Co.	(5,000)
Other receivables	(14,603)
Increase (Decrease) In Operating Liabilities:	
Accounts Payable	12,308
Net Cash Provided (Used) by Operating Activities	2,189,853
Cash Flows From Investing Activities:	
Net Redemption (Purchase) - Certificates of Deposit	(6,064,586)
Purchase of Property and Equipment	(837,448)
Net Cash Provided (Used) by Investing Activities	(6,902,034)
Net Cash Provided (Used) by Financing Activities	-
Net Increase (Decrease) in Cash	(4,712,181)
Cash at Beginning of Year	7,280,821
Cash at End of Year	\$ 2,568,639

The accompanying notes are an integral part of the financial statements.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

INTRODUCTION

The Thibodaux Volunteer Fire Department, Inc. (Fire Department) was formally incorporated on February 4, 1987, as a non-profit corporation in Thibodaux, Louisiana. As incorporated, it is the continuation of an association that has been in existence for many years in the City of Thibodaux. The purpose of the Fire Department, and its predecessor organization, is to supervise, control, and otherwise coordinate the efforts of the eight volunteer fire companies which service the citizens of Thibodaux, Louisiana, and beginning in 1989, the area included in Lafourche Parish Fire Protection District No. 4 (District No. 4).

The Fire Department owns fire stations, firefighting trucks, emergency units, and other firefighting equipment used by the Department and the eight fire companies. The Fire Department coordinates all training and fund-raising activities and pays for the operating expenses of all firefighting and emergency equipment for all eight fire companies.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Management of the Fire Department consists of a Board of Directors made up of volunteer firemen who have been elected by the membership of the various fire companies. After being elected by the fire companies' membership, the board members are appointed by Thibodaux City Council. The Mayor of Thibodaux is an ex-officio member of the Board of Directors. The City of Thibodaux also receives a tax millage used to support the Fire Department. Because of these factors, the Fire Department is a component unit of the City of Thibodaux and is reported as such on the City's financial reports.

B. Basis of Presentation

The financial statements of the Fire Department have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. Therefore, certain revenues and the related assets are recognized when awarded rather than when received and certain expenses are recognized when the obligation is incurred rather than when paid. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly,

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

net assets of the Fire Department and the changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

C. Capital Assets

All capital assets are reported at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded as support at their estimated fair value on the date donated. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. It is the Fire Department's policy to capitalize expenditures for these items in excess of \$1,000. Depreciation is provided over the estimated useful life of fixed assets computed using the straight-line method as follows:

Buildings and improvements	12 - 40 years
Equipment	7 – 20 years
Furniture & fixtures	7 years
Vehicles	5 – 25 years

D. Income Taxes

The Internal Revenue Service has notified the Fire Department that it is substantially exempt from Income taxes under internal Revenue Code Section 501 (c)(3). Donors may deduct contributions made to the Fire Department under Internal Revenue Code Section 170. Accordingly, no provision for income taxes is made in the financial statements. The Fire Department is no longer subject to U.S. Federal tax examination for years prior to 2020 tax year.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

E. Revenue Recognition

Contributions received are recorded as either with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

F. Deferred Revenue

The Fire Department reports deferred revenue on the statement of financial position. Deferred revenue arises when the Fire Department receives resources before it has a legal claim to them. In subsequent periods, when the Organization has a legal claim to those resources, the liability for deferred revenue is removed from the statement of financial position and the revenue is recognized.

G. Cash, Cash Equivalents, and Certificates of Deposit

For purposes of the statements of cash flows, cash and cash equivalents include certificates of deposit and securities with maturities of three months or less when purchased. The Fire Department considers all demand deposits to be cash equivalents.

Investment policies are governed by state statutes.

Certificates of Deposits with original maturities of one year or less are classified as current assets. Certificates with original maturities in excess of one year are reported as long-term assets.

H. Donated Services and Supplies

The Fire Department receives donated items, such as minor amounts of building material and used office equipment and furniture. However, formal records are

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

not maintained of all the minor items received or their value. Further, by its very nature, the Fire Department receives benefit from the volunteer services of numerous citizens particularly in the operation of the fair and actual firefighting by trained individuals.

The value of these donated services, the materials, and the furniture and fixtures, on which no record was kept, has not been reflected on the Fire Department's records. The values are not included inasmuch as there is no objective method available to measure the value of these items.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from estimates.

J. Functional Expenses

Expenses are charged directly to program or supporting services in general categories based on specific identification.

NOTE 2. CASH AND CERTIFICATES OF DEPOSIT

At November 30, 2023, the Fire Department had cash (book balances) totaling \$2,568,639, and certificates of deposits totaling \$6,542,974. The combined bank balance at November 30, 2023, was \$9,111,859. Of the total bank balances, \$732,147 was covered by federal depository insurance and \$8,379,712 is covered by collateral held by the pledging financial institution's trust or its agent in the Fire Department's name. There are no unsecured funds.

The Fire Department is required to hold ad valorem tax funds and other public funds in a separate bank account to be used for the purchase and maintenance of fire-fighting equipment and facilities. The monies collected and expended for the raffle fundraiser must also be held in a separate bank account with any profits being

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

transferred to the operating account. These accounts are maintained separately, as required.

NOTE 3. PROPERTY AND EQUIPMENT

At November 30, 2023, the Fire Department had the following property and equipment balances:

	Balance at 11/30/22	Additions	Removals	Balance at 11/30/23
Property and equipment not being depreciated:				
Land	\$ 1,230,748	\$ 100,000	\$ -	\$ 1,330,748
Assets not placed in service	-	-	-	-
Construction in progress	18,152	390,874	(303,864)	105,162
Total property and equipment not being depreciated	1,248,900	490,874.00	(303,864)	1,435,910
Property and equipment being depreciated:				
Fire trucks, emergency units, and other vehicles	6,032,174	-	-	6,032,174
Firefighting equipment	1,688,252	189,736	-	1,877,988
Office & security equipment	48,850	-	-	48,850
Radios	574,577	13,284	-	587,861
Building & Improvements				
Warehouse - Central Station	477,401	-	-	477,401
Training center	1,040,256	222,100	-	1,262,356
B.C.H. building	139,020	3,844	-	142,864
Fire station improvements	2,924,051	231,188	-	3,155,239
Fair ground improvements	2,013,506	65,582	-	2,079,088
Rental units	103,700	-	-	103,700
Total property and equipment being depreciated	15,041,787	725,734	-	15,767,521
Less: Accumulated Depreciation	(8,541,302)	(816,470)	-	(9,357,772)
Total property and equipment being depreciated, net	6,500,485	(90,736)	-	6,409,749
Total property and equipment, net	\$ 7,749,385	\$ 400,138	\$ (303,864)	\$ 7,845,659

Depreciation expense for the current fiscal year is \$816,470.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

During the year, the Department continued to make improvements to fire stations and to the fairgrounds. The Department also placed in service new fire-fighting gear, equipment and radios.

In the upcoming year, the Department will begin construction of a new South Thibodaux station and a new Central Station and has contracted for a new fire truck, a Class A pumper, for the Bowie station. The Department will also purchase two new Chief's trucks and a rescue boat. Funding for the rescue boat was provided by a private grant.

NOTE 4. SUPPORT - LOCAL GOVERNMENTS

In the current year, support from local governments consists of following Items:

Insurance subsidies (City of Thibodaux)	\$ 30,643
Utilities subsidies (City of Thibodaux)	127,306
Training (City of Thibodaux)	42,195
Other (City of Thibodaux)	54,814
Sales tax exemption (City of Thibodaux)	3,335
<i>(Reported under Fair Support)</i>	
FEMA (City of Thibodaux)	217,346
Fire insurance rebates (City of Thibodaux)	107,062
Fire Protection District #4 (see note 7)	104,170
Intergovernmental – Training Center Fee	<u>15,000</u>
	<u>\$ 701,871</u>

Insurance subsidies - Amounts expended by the City of Thibodaux for insurance during the Fire Department's fiscal year, to provide a portion of the coverage for Fire Department equipment and members of the fire companies. Included are premiums for fire truck and emergency unit liability insurance, general liability insurance, and workman's compensation for volunteer firemen. Policy coverage does not extend longer than 12 months. Amounts paid by the City are considered revenue to the Fire Department, and insurance expense includes these amounts.

Utility subsidies - Amounts expended by the City of Thibodaux for utilities. Amounts paid by the City are considered revenue to the Fire Department, and utility expenses include these amounts.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

Part of the Fire Department's purpose is to adequately protect and maintain all firefighting type equipment. The cost of insurance and utilities is an integral part of such maintenance and protection. Therefore, these costs are reflected on the Department's records as insurance premiums and utilities even though they were paid by the City of Thibodaux.

Fire insurance rebates - A state tax is assessed on fire insurance policies issued in the State of Louisiana. The State remits a portion of these funds to the various parishes of the state with instructions on how much the Parish is to remit to each city or fire district to support firefighting.

Other City support - The city paid for the miscellaneous radio service agreements, security detail, operating supplies, and repairs and maintenance on behalf of the Fire Department.

Property and equipment - The city paid for and owns equipment and other property used by the fire department. During the current fiscal year, the City of Thibodaux expended \$70,882 for this purpose. As ownership remains with the City, this equipment is not recorded on the books of the Fire Department.

NOTE 5. PROPERTY TAXES

The Fire Department received \$855,434 of support from the City of Thibodaux in the form of property taxes during fiscal year ended November 30, 2023. Commencing December 2013, two mills were approved by the voters of Thibodaux for a period of ten years. In 2017, the voters renewed a five-mill property tax bringing the total millage authorized by the voters to seven. Through the normal property reassessment process, the voter approved property taxes are assessed, for the 2022 tax roll, at 1.64 mills of the authorized 2 mills and 4.48 mills of the authorized 5 mills.

NOTE 6. TAX ABATEMENTS

The City of Thibodaux enters into property tax abatement agreements with local businesses under the Restoration Tax Abatement Program was created by Act 445 of the 1983 Legislature, and revised by Act 783 of 1984, Article VII, Part II, Section 21 (H) of the Louisiana Constitution and Louisiana R.S. 47: 4311-4319, to authorize the Board of Commerce and Industry, with the approval of the Governor and the local

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

governing authority and in accordance with procedures and conditions provided by law, to enter into a contract granting property owners who propose the expansion, restoration, improvement or development of an existing structure or structures in a downtown development district, historic district, or economic development district, established in accordance with law, the right to pay ad valorem taxes based upon the assessed valuation of property prior to the commencement of the expansion, restoration, improvement or development.

For the current fiscal year, the City's property tax abatements which represent the Fire Department's portion of the forfeited tax revenue are immaterial to the Fire Department's financial statements.

NOTE 7. COOPERATIVE AGREEMENTS

Lafourche Parish Fire Protection District No. 4

On May 19, 1989, the Fire Department contracted with the Lafourche Parish Fire Protection District No.4, a district adjacent to, but outside, the city limits of Thibodaux, for the Fire Department to coordinate and supervise firefighting and emergency service in that fire district. The contract is for a period of ten years and is automatically renewed for an additional ten years unless both parties mutually elect to terminate the renewal option within 90 days of renewal. Under the agreement, the Fire Department helps organize and train the volunteers needed to operate a fire company in the district. The fire company located in the District is allowed all benefits allowed to other fire companies directed by the Fire Department. The Department also pays for the purchase and maintenance of these fire trucks and other firefighting equipment and pays for maintenance of the building housing the fire trucks and equipment in the District. During the period ended November 30, 2023, the Fire Department incurred direct expenses of \$49,578 in connection with the Bowie Fire Company, the company located in District No. 4 (See supplemental schedule 2).

A millage is presently being collected by Fire District No.4 from the District's residences. It is anticipated Fire District No.4 will continue to collect this millage. As per the co-operative agreement contract, millage amounts and fire insurance rebates collected by District No.4 are to be contributed to the Thibodaux Volunteer Fire Department, Inc. During the year ended November 30, 2023, \$104,170 was received from Fire District No. 4.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

Home Hook and Ladder Company No. 1

On June 23, 2009, the Fire Department entered into an agreement with Home Hook and Ladder Company No. 1 (Hooks), one of the eight volunteer fire companies that are supervised by the Fire Department. The agreement states that the Fire Department will allow Hooks to occupy the fire station, owned by the Fire Department and located on Canal Boulevard, in exchange for providing fire protection services to the City of Thibodaux.

\$121,209 has been paid, in previous years, by Hooks to the Fire Department for consideration of this agreement. The figure was determined by a mutually agreed upon percentage of the total cost of construction of the new fire station.

The term of the agreement shall be for as long as Hooks is an officially recognized fire company of the Fire Department. In the event that Hooks is no longer an officially recognized fire company of the Fire Department, then this agreement shall terminate, and Hooks shall vacate the premises immediately upon notice by the Fire Department.

South Thibodaux Fire Company, Inc.

On June 15, 2023, the Fire Department entered into an agreement with South Thibodaux Fire Company, Inc. (South), one of the eight volunteer fire companies that are supervised by the Fire Department. The agreement states that the Fire Department will allow South to occupy a fire station, owned by the Fire Department and located on Lafaye Avenue, in exchange for providing fire protection services to the City of Thibodaux. In accordance with the agreement, the then existing station has been demolished and construction of the new fire station will begin in the upcoming year.

South's consideration for this agreement is \$30,238 cash and the transfer of ownership of the land and then existing building located at 102 Lafaye Avenue, valued at \$200,000. This \$230,238 has been recognized as income in the current Statement of Activities. The consideration was mutually agreed upon based on the total cost of construction of the new fire station.

The term of the agreement shall be for as long as South is an officially recognized fire company of the Fire Department. In the event that South is no longer an officially recognized fire company of the Fire Department, then this agreement shall terminate,

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

and South shall vacate the premises immediately upon notice by the Fire Department.

Training Center

The Department has agreements with local area Fire Departments and Fire Protection Districts for their use of the Department's training center. The anniversary date of the agreement is July 1 of each year and renews automatically. The agreement may be cancelled by providing 30 day written notice to the other party. A \$5,000 usage fee is charged annually unless a financial hardship request is granted. In the current year, \$15,000 was received for the use of this facility.

NOTE 8. FIREMEN FAIR

The Fire Department's operating funds consisted of net proceeds it received from a four-day fair it sponsors during the spring each year. The success of the fair depends on the state of the local economy and the weather.

The fair revenue consists of proceeds from the sale of tickets for rides, games, food and drink, raffles, and from auctioned items, solicited donations, sponsorships and other miscellaneous events. The 2023 revenues and expenses of the fair were as follows:

Revenue (Supplemental Schedule 1)	\$1,901,828
Expense (Supplemental Schedule 1)	<u>(\$602,603)</u>
Net fair proceeds	<u>\$1,299,225</u>

This year, the Fire Department's net fair proceeds were approximately 40% of its operating revenues. If the net proceeds from this fundraiser decrease significantly, it could have an adverse effect on operations.

NOTE 9. HURRICANE RELIEF DONATIONS

In a response to the hurricanes which devastate the southern United States each Hurricane Season, the Fire Department collects donations for food and supplies to be delivered to the affected regions each year. The Department continues to accept donations to support its relief efforts which are reported as support with donor restrictions on the Statement of Activities. At year-end, there remained an unused

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

balance of \$13,971 which is included as net assets with donor restrictions on the Statement of Financial Position.

NOTE 10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Fire Department's financial assets consisting of cash, cash equivalents, and current receivables available within one year for general use as of November 30, 2023, are \$6,054,032. In order to manage liquidity, the Fire Department's practice is to structure its financial assets to be available as its general expenses, liabilities, and other obligations become due. It is also their practice to have liquid funds available for the purchase of capital assets in order to avoid indebting the Department to the extent possible.

NOTE 11. ADVANCES TO FIRE COMPANIES

On November 11, 2004, the Board of Directors signed a promissory note of \$68,000 from the VCH Fire Company, one of eight volunteer fire companies that staff and maintain fire trucks and equipment owned by the Fire Department. The advance was made in connection with the VCH Fire Company's building a new fire station owned by the VCH Fire Company.

\$3,000 is to be repaid each year on the note. At November 30, 2023, the Fire Department had \$20,000 in advances receivable from VCH. This amount is unsecured.

NOTE 12. DEBT OBLIGATIONS

The Fire Department has no long-term nor short-term obligations except for operating accounts payables to vendors. However, in April 2023, the Department passed a resolution to pursue the issuance of tax-exempt municipal bonds not to exceed \$7,000,000 to finance the construction of South Thibodaux Fire Station and Central Operations Center. This bond issuance is expected to occur in the upcoming year.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
November 30, 2023

NOTE 13. RISK MANAGEMENT

The Fire Department is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries and illness; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended November 30, 2023.

On August 29, 2021, Hurricane Ida, a category 4 storm, made landfall in Lafourche Parish. Several fire stations and other structures suffered damages ranging from minor to severe. In the current fiscal year, a FEMA claim of \$217,346 was received through the City of Thibodaux to reimburse the Department for Hurricane Ida costs. Repairs to the structures have been completed in the current fiscal year.

NOTE 14. LITIGATION AND CLAIMS

At November 30, 2023, the Thibodaux Volunteer Fire Department, Inc. had no litigation or claims pending.

NOTE 15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 22, 2024, the date that the financial statements were available to be issued.

Supplemental Information

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

Fair Support Revenue and Expenses
For the Year Ended November 30, 2023

Fair Revenue & Support

Food and drink sales	\$ 434,697
Amusement sales	180,471
Auction sales & donations	841,169
Sponsorships	233,000
Fundraising & fair donations	42,843
Raffle sales & donations	127,065
5K Run/Walk	5,793
Grand Marshal	20,538
Poster sales	1,090
Other	11,827
Support From City of Thibodaux - Tax	<u>3,335</u>
Total Fair Support Revenue	<u><u>1,901,828</u></u>

Fair Support Expenses

Food and drinks	169,595
Entertainment	135,945
Operations	74,606
Auction	83,165
Publicity	31,925
Raffle	29,565
Grand Marshal	24,416
5K Run/Walk	5,938
Parade / Fair event	9,616
Fundraising	8,887
Sponsorship	12,859
Poster	4,227
Other expenses	<u>11,859</u>
Total Fair Support Expenses	<u><u>602,603</u></u>
Excess of Revenue Over Expenses	<u><u>\$ 1,299,225</u></u>

See Independent Auditor's Report

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

Operation and Maintenance Expenses of Fire Stations & Equipment
For the Year Ended November 30, 2023

	Cost Centers												Totals
	1	2	3	4	5	6	7	8	9	10	11	12	
Expense Classification													
Gas, Oil, Etc.	\$ 710	\$ 2,065	\$ 1,905	\$ 342	\$ 1,277	\$ 416	\$ 1,075	\$ 55	\$ 1,109	\$ 145	\$ 1,107	\$ 1,721	\$ 11,927
Truck and Vehicle Maintenance	7,120	8,073	14,724	6,224	2,272	9,931	11,120	4,047	18,537	6,390	28,855 *	5,961	123,255
Fundraising Proceeds	15,159	13,650	13,760	9,960	10,589	16,554	10,960	1,000	-	-	10,360	-	101,993
Station Maintenance	581	-	3,815	584	436	2,610	8,763	-	-	-	8,834	4,397	30,021
Equipment Expense & Maint.	-	-	143	208	-	-	488	474	2,631	-	203	4,710	8,858
Miscellaneous Expense	-	-	70	-	-	-	-	-	130	32	218	459	910
Totals	\$ 23,571	\$ 23,789	\$ 34,417	\$ 17,318	\$ 14,574	\$ 29,512	\$ 32,407	\$ 5,577	\$ 22,407	\$ 6,567	\$ 49,578	\$ 17,248	\$ 276,964

Cost Center Description:

- 1 - Thibodaux Fire Company #1
- 2 - Protector Fire Company #2
- 3 - Home Hook and Ladder Company #1
- 4 - Vigilant Chemical and Hose Company
- 5 - North Thibodaux Fire Company
- 6 - South Thibodaux Fire Company
- 7 - West Thibodaux Fire Company
- 8 - Fire Chief's Account (Communications Squad)
- 9 - Rescue 1
- 10 - Command Center (Includes Hose Tender; Air 1; SCBA)
- 11 - Bowie Fire Company (See Note 7)
- 12 - Acadia Station

* **Note:** The Department received \$9,173.38 in insurance proceeds for repairs. The insurance proceeds are reported on the Statement of Activities under Miscellaneous Income.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

For the Year Ended November 30, 2023

**Schedule of Compensation, Benefits and Other Payments to Agency Head or
Chief Executive Officer**

Agency Head Name: Fire Chief Anthony Boudreaux

Purpose	Amount
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel / mileage	0
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses*	0
Special meals	0

This form is used to satisfy the reporting requirements of R.S. 24:513(A)(3). Under those requirements, only payments made with public funds are required to be reported.

*The Department provides the Fire Chief with a take-home vehicle; however, no amount is considered taxable under the IRS rules for vehicles provided to firefighters. The vehicle meets the definition of "qualified non-personal use vehicle". The truck is primarily used for public safety purposes and is clearly marked with insignias and painted as a fire fighter vehicle.

Reports by Management

**THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended November 30, 2023**

Prior Year Audit Findings

Section I - Internal Control and Compliance Material to the Financial Statements:

There are no findings reported in the prior year.

Section II - Management Letter

No management letter was issued in the prior year.

THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.
Thibodaux, Louisiana

Summary Schedule of Current Audit Findings and Management's Response
For the Year Ended November 30, 2023

Current Year Audit Findings

Section I – Internal Control and Compliance Material to the Financial Statements:

<u>Ref. No.</u>	2023-01
<u>Condition:</u>	Inadequate Controls over Recording Capital Asset Dispositions – Internal Control Material Weakness
<u>Criteria:</u>	Effective internal controls are needed to ensure proper reporting of capital assets.
<u>Cause:</u>	Management failed to remove capital assets from the Department's books of record upon demolition of the South Station causing a material adjustment to be made during the course of the audit.
<u>Effect:</u>	Without adequate controls over capital asset dispositions, the risk of material misstatement of the financial statements increases significantly.
<u>Recommendation:</u>	Management should implement procedures whereby information of the disposition of a capital asset would be provided to the accountant for adjustment or removal from the capital asset list. Furthermore, a review of the Department's capital asset list should be made by an official with knowledge of the Department's capital assets to ensure all assets are appropriately reflected and are in current use.
<u>Management's Response:</u>	The Department's board agrees with the recommendations and will work to implement appropriate procedures over the recording of capital asset dispositions. Annual review of the Department's capital asset list will be performed by an appropriate person.

Section II – Management Letter:

There was no management letter issued in the current year.

**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
Thibodaux Volunteer Fire Department, Inc.
Thibodaux, 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 Thibodaux Volunteer Fire Department, Inc. (a nonprofit organization) (the Department), which comprise the statement of financial position as of November 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Thibodaux Volunteer Fire Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 weaknesses or significant deficiencies. During our audit,

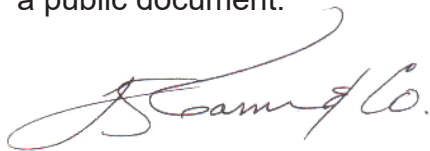
we identified one deficiency in internal control that we consider to be a material weaknesses. See 2023-1 on page 25.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 organization’s internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Thibodaux, Louisiana
May 22, 2024



THIBODAUX VOLUNTEER FIRE DEPARTMENT, INC.

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

Year Ended November 30, 2023

T.S. KEARNS & CO.


(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the
Thibodaux Volunteer Fire Department, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period December 1, 2022 through November 30, 2023. The Thibodaux Volunteer Fire Department's (the Department's) management is responsible for those C/C areas identified in the SAUPs.

The Department 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 December 1, 2022 through November 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - 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.
 - iii. **Disbursements**, including processing, reviewing, and approving
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine

the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, and (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.
- 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
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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)
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- 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.

No exceptions noted. Written policies and procedures were obtained and address the functions noted above, where applicable.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

- 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, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions were found as a result of this procedure.

- 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 unassigned fund balance in the general fund.

Not applicable to a nonprofit organization.

- 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.

Not applicable, no prior audit findings.

3) Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5).

Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- 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);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

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

Obtained a list of deposit sites from management and management provided representation that the listing is complete.

- 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

Not applicable. The Department does not utilize the use of cash drawers or registers.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible

for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

Not applicable as all collections are noncash and are checks received through the mail.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, & 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).

Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the list is complete.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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 electronic means.

Not applicable. Electronic disbursements were not used in the tax account.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Using the entity'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 entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Not applicable. Electronic disbursements were not used in the tax account.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

Obtained listing and management's representation that the listing is complete.

- 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. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and
- 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Not applicable. There were no non-fuel card purchases from the tax accounts.

7) 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
- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Obtained listing and management's representation that the listing is complete. There were no travel nor travel related expense reimbursements from the tax account during the period. Therefore, this section is not applicable.

8) 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Obtained listing and management's representation that the listing is complete.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials'

authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

- 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, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Obtained listing and management's representation that the listing is complete. The Department had no employees nor elected officials during this fiscal period. Therefore, these procedures are not applicable.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not applicable to a nonprofit organization.

11) 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.
- 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable to a nonprofit organization.

12) 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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management has asserted that the Department did not have any misappropriations of public funds or assets during the reporting period.

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

No exceptions were found as a result of this procedure.

13) 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 entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

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

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 the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Not applicable. The Department had no employees.

14) Sexual Harassment

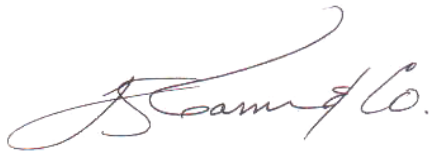
- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Not applicable to a nonprofit organization.

We were engaged by the Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with 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 those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Department 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.

A handwritten signature in cursive script, reading "T. S. Kearns & Co.", written in dark ink.

Thibodaux, Louisiana
May 22, 2024