



**ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA**

FINANCIAL REPORT

For the Year Ended December 31, 2022

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ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA

FINANCIAL REPORT

For the year ended December 31, 2022

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ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA

FINANCIAL REPORT

For the year ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
St. John Volunteer Fire Department, Inc.
Thibodaux, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John Volunteer Fire Department, Inc. (the Department) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John Volunteer Fire Department, Inc. as of December 31, 2022 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our Responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison – general fund information on pages 21 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 Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

Management has omitted the management's discussion and analysis information that the accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The other supplementary information on page 22 is presented for the purpose 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023 on our consideration of the Department's internal control over financial reporting and on our test 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 Department's internal control over financial reporting and compliance.



Thibodaux, Louisiana
June 29, 2023

Basic Financial Statements

Government-Wide Financial Statements (GWFS)

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA

STATEMENT OF NET POSITION
December 31, 2022

| | <u>Governmental Activites</u> |
|---|-----------------------------------|
| Assets | |
| Current assets: | |
| Cash and cash equivalents | \$ 1,033,623 |
| Prepaid insurance | 19,919 |
| Certificates of deposit | 189,796 |
| Total current assets | <u>1,243,337</u> |
| Noncurrent assets: | |
| Capital assets, not being depreciated | 12,452 |
| Capital assets, net of accumulated depreciation | 1,503,063 |
| Total noncurrent assets | <u>1,515,515</u> |
| Total Assets | <u><u>2,758,852</u></u> |
| Liabilities | |
| Current liabilities | |
| Accounts payable | 3,850 |
| Total current liabilities | <u>3,850</u> |
| Total Liabilities | <u><u>3,850</u></u> |
| Net Position | |
| Net investment in capital assets | 1,515,515 |
| Net position - unrestricted | 1,239,487 |
| Total Net Position | <u><u>2,755,002</u></u> |
| Total Liabilities and Net Position | <u><u>\$ 2,758,852</u></u> |

The accompanying notes are an integral part of this statement

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2022

| | Program Revenues | | | Net (Expense) |
|--|-------------------------|--|---|------------------|
| Expenses | Charges for Services | Operating Grants & Contributions | Revenue and Changes in Net Position | |
| Expenses: | | | | |
| Governmental activities: | | | | |
| Public safety - fire protection: | \$ 405,350 | \$ - | \$ 406,000 | \$ 650 |
| Loss on disposal of equipment | 340 | - | - | (340) |
| Total Governmental activities | 405,690 | - | - | 310 |
| General Revenues: | | | | |
| Fire insurance rebate | | | | 74,696 |
| Grant income | | | | 20,000 |
| Donations received | | | | 33,552 |
| Interest income | | | | 4,402 |
| Other revenues | | | | 150 |
| | | | | 132,800 |
| Total general revenues | | | | |
| Special Items: | | | | |
| Proceeds from insurance claim | | | | 10,880 |
| FEMA reimbursements | | | | 58,714 |
| | | | | 69,594 |
| Total special items | | | | |
| Change in net position | | | | 202,703 |
| Net Position - Beginning (restated, note 2) | | | | 2,552,299 |
| Net Position - Ending | | | | \$ 2,755,002 |

The accompanying notes are an integral part of this statement

Basic Financial Statements

Fund Financial Statements (FFS)

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA

Balance Sheet - Governmental Funds
December 31, 2022

| | General Fund |
|---|---------------------|
| Assets | |
| Cash and cash equivalents | \$ 1,033,623 |
| Prepaid insurance | 19,919 |
| Certificates of deposit | 189,796 |
| Total Assets | 1,243,337 |
| Liabilities | |
| Current liabilities | |
| Accounts payable | 3,850 |
| Total Liabilities | 3,850 |
| Fund balance | |
| Nonspendable - prepaid insurance | 19,919 |
| Unassigned | 1,219,568 |
| Total Fund Balance | 1,239,487 |
| Total Liabilities and Fund Balance | \$ 1,243,337 |

The accompanying notes are an integral part of this statement

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances
- Governmental Fund

For the year ended December 31, 2022

| | General Fund |
|---|-------------------------|
| Revenues | |
| Support - Fire District #6 | \$ 406,000 |
| Fire insurance rebate | 74,696 |
| Grant income | 20,000 |
| Donations received | 33,552 |
| Interest income | 4,402 |
| Other revenues | 150 |
| | <hr/> |
| Total revenues | 538,800 |
| | <hr/> |
| Expenditures | |
| Public safety - fire protection: | |
| Current: | |
| Bank fees | 40 |
| Fundraising expense | 5,279 |
| Dues and memberships | 500 |
| Conventions and meetings | 8,456 |
| Firefighting supplies | 8,199 |
| Insurance | 52,702 |
| Meals | 10,277 |
| Professional fees | 4,700 |
| Repairs and maintenance | 131,837 |
| Supplies | 4,173 |
| Utilities | 15,344 |
| Capital Outlay | 70,006 |
| | <hr/> |
| Total expenditures | 311,512 |
| | <hr/> |
| Excess of revenues over/(under) expenditures | 227,288 |
| | <hr/> |
| Other Financing Sources (Uses) | |
| Proceeds from insurance claim | 10,880 |
| FEMA reimbursements | 58,714 |
| | <hr/> |
| Total other financing sources and uses | 69,594 |
| | <hr/> |
| Excess (deficiency) of revenues and other sources Over expenditures and other uses | 296,882 |
| | <hr/> |
| Fund Balance - Beginning (restated, note 2) | 942,605 |
| Fund Balance - End of Year | \$ 1,239,487 |
| | <hr/> <hr/> |

The accompanying notes are an integral part of this statement

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

THIBODAUX, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position

December 31, 2022

Total Fund Balances - Governmental Funds \$ 1,239,487

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet. Those assets consist of:

| | | |
|--|------------------|------------------|
| Land | \$ 12,452 | |
| Buildings and equipment, net of accumulated depreciation | <u>1,503,063</u> | <u>1,515,515</u> |

Total Net Position - Governmental Activities \$ 2,755,002

ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.

THIBODAUX, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2022

| | |
|---|------------|
| Total net changes in fund balances at December 31, 2022 per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ 296,882 |
|---|------------|

Total change in net position reported for governmental activities in the Statement of
Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of
Activities, the costs of those assets are allocated over their estimated useful lives and
reported as depreciation expense.

| | | |
|---|------------------|-----------------|
| Capital outlay which is considered expenditures on the Statement of Revenue, Expenditures and Changes in Fund Balances | \$ 70,006 | |
| Basis of capital assets removed from service | (341) | |
| Depreciation expense for the year ended December 31, 2022 | <u>(163,844)</u> | <u>(94,179)</u> |

| | |
|---|-------------------|
| Change in Net Position - Governmental activities at December 31, 2022 | <u>\$ 202,703</u> |
|---|-------------------|

Notes to the Financial Statements

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

INTRODUCTION

The St. John Volunteer Fire Department, Inc. (the Department) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 101 (8). The Department is exempt from federal income tax under section 501(c)(4) of the Internal Revenue Code. Its objective is to provide fire protection to the Thibodaux and St. John area, Fire Protection District No.6 of Lafourche Parish.

The Department receives funding from local government sources and must comply with the same requirements of these funding source entities. However, the Department is a “primary government” and is not included as a component unit of any other Lafourche Parish governmental “reporting entity” as defined in GASB pronouncements, since the entity is a non-profit corporation, and the board members have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Department includes all activities that are controlled by it as a quasi-public non-profit corporation organized to provide fire protection to the Parish of Lafourche. The Department has no component units.

The accounting and reporting policies of the Department conform to generally accepted accounting principles as applicable to governmental units.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of St. John Volunteer Fire Department, Inc. have been prepared in conformity with generally accepted accounting principles (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 more significant accounting policies established in GAAP and used by the Fire Department are discussed below,

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Department's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue.

Fund Financial Statements (FFS)

The accounts of the Department are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Department is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The Department has one fund, a governmental fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

Governmental Fund - General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the Department and is used to account for the operations of the Department. General operating expenditures are paid from this fund.

B. Measurement Focus / 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.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Department reports deferred inflows of resources on its governmental fund balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Department has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Department has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

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

C. Budgets and Budgetary Accounting

Due to the fact that the Department is a true quasi-public entity, which has no direct relationship to another governing entity, it is not subject to the Louisiana Local Budget Act.

Although it is not required, the Department adopts, using the cash basis of accounting, an annual budget based on anticipated revenues and expenditures. Annual appropriations of funds are not made. The budget is reviewed and compared to actual expenditures for use in managing expenditures.

D. Encumbrances

The Department does not use encumbrance accounting.

E. Cash and Interest-bearing Deposits

Under state law, the Department may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts and certificates of deposit with an original maturity of less than 90 days, and are stated at cost, which approximates fair market value.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

F. Investments

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

The Department's only investments are certificates of deposit, with an original maturity of greater than 90 days, which are stated at cost, which approximates market. Investments in certificates of deposit are reported at cost because they are "nonparticipating" interest-earning investment contracts as discussed in GASB 31. The term "nonparticipating" means that the investment value does not vary with market interest rate changes. Investments which include securities traded on a national or international exchange are valued based on their last reported sales price (fair value). Investments that do not have an established market are reported at estimated fair value.

G. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

H. Use of Estimates

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

I. Capital Assets

Capital assets, which include property, vehicles, and equipment, purchased or acquired with an original cost of \$200 or more are reported at historical cost or estimated historical cost. Donated assets are reported at fair market value as of the date received. 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 is recorded using the straight-line method over the useful lives of the assets as follows:

| <u>Description</u> | <u>Estimated Lives</u> |
|--------------------|------------------------|
| Buildings | 7-40 years |
| Equipment | 5-10 years |

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

In the fund financial statements, capital assets used in the Department's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

J. Long-Term Obligations

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

K. Equity Classifications

In the Government-Wide Financial Statements, the difference between a government's assets and liabilities is recorded as net position. The three components of net position are as follows:

1. Net Investment in Capital Assets This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.
2. Restricted Net Position Net positions that are restricted by external sources such as creditors, grantors, contributors, or by law through either enabling legislation or constitutional provisions are reported separately as restricted net position. When assets are required to be retained in perpetuity, these non-expendable net positions are recorded separately from expendable net positions. These are components of restricted net positions.
3. Unrestricted Net Position All other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the Fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

1. Nonspendable Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Department has prepaid insurance which is considered *nonspendable* fund balance on the fund financial statements.
2. Restricted Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

3. Committed Amounts that can be used only for specific purposes determined by a formal decision of the Board.
4. Assigned Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes by a decision of the Board.
5. Unassigned All other spendable amounts.

When an expenditure is incurred for the purposed for which both restricted and unrestricted fund balance is available, the Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

L. Subsequent events

Subsequent events have been evaluated through June 29, 2023, which is the date the financial statements were available to be issued.

NOTE 2. CORRECTION OF ERROR

An adjustment was made to net assets/fund balance and to prepaid insurance to account for prior year prepaid insurance which was not reported. This adjustment increased both the prepaid insurance account and the net assets/fund balance account by \$21,711.50.

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2022, the Department has cash and cash equivalents (book balances) totaling \$1,033,623. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

NOTE 4. CERTIFICATES OF DEPOSITS

The Fire Department holds certificates of deposit at a local financial institution. The certificates of deposit have maturities of twelve months with an interest rate of 0.30%. The book value of the Department's certificates of deposit at December 31, 2022 is \$189,796.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

NOTE 5. CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution the Department's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Department or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2022 in the amount of \$1,224,064 were secured with of federal deposit insurance and bank pledged securities. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust Department or agent, but not in the Department's name. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Department that the fiscal agent has failed to pay deposited funds on demand. There were no unsecured amounts. The Department does not have a policy for custodial credit risk.

NOTE 6. COOPERATIVE AGREEMENT

On January 21, 2021, Lafourche Parish Fire Protection District No. 6 (the District) contracted with St. John Volunteer Fire Department to coordinate and supervise firefighting and emergency service in that fire district in return for insurance rebates, revenue sharing funds, and sum equal to 6.85 mils of assessed property taxes collected by the District. The District has the right to reserve a portion of the millage to be used to defray it's expenses.

Under the term of the cooperative agreement, the Department shall be responsible for and shall obtain fire and windstorm protection insurance on all fire stations owned, operated, or controlled by the Department or District at the Department's expense. During the year, the Department received \$480,696 from the Lafourche Parish Fire Protection District No. 6 for fire protection services.

NOTE 7. OTHER GRANTS

Annually, the Department receives a grant from the Lorio Foundation, a private foundation to assist in financing its operations. For the current year, this grant was awarded in the amount of \$15,000. The Department also received a grant in the current year from the Peltier Foundation, a private foundation, in the amount of \$5,000.

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Notes to the Financial Statements
December 31, 2022

A grant from FEMA was also received in the current year to reimburse the Department for expenses incurred as a result of Hurricane Ida. The grant amount was \$58,714.

NOTE 8. CAPITAL ASSETS

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

| | Balance at 12/31/2021 | Additions | Deletions | Balance at 12/31/2022 |
|--|--------------------------|-----------|-----------|--------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | 12,452 | - | - | 12,452 |
| Deposit on capital assets | 5,382 | - | (5,382) | - |
| Total | 17,834 | - | (5,382) | 12,452 |
| Capital assets, being depreciated: | | | | |
| Equipment | 1,830,558 | 75,388 | (230,279) | 1,675,666 |
| Buildings | 1,487,436 | - | - | 1,487,436 |
| Total | 3,317,994 | 75,388 | (230,279) | 3,163,102 |
| Less: accumulated depreciation | (1,726,134) | (163,844) | 229,939 | (1,660,039) |
| Total capital assets, net | \$ 1,609,694 | (88,457) | (5,722) | \$ 1,515,515 |

Depreciation expense for the year of \$163,844 was charged to public safety.

NOTE 9. RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illnesses or injuries to its volunteers; and natural disasters. The Department has purchased commercial insurance to cover or reduce the risk of loss. No settlements were made during the current or prior three fiscal years that exceeded the Department's insurance coverage.

NOTE 10. LITIGATION AND CLAIMS

At December 31, 2022, the Department had no litigation or claims pending.

Required Supplemental Information

ST. JOHN VOLUNTEER FIRE DEPARTMENT
Thibodaux, Louisiana

Budget Comparison Schedule
General Fund - Non-GAAP (Cash) Basis
For the Year ended December 31, 2022

| | Original Budget | Final Budget | Actual | Variance - favorable (unfavorable) |
|--|---------------------|---------------------|---------------------|--|
| Revenues: | | | | |
| Support - Fire Dist #6 - millage | \$ 373,000 | \$ 373,000 | \$ 406,000 | \$ 33,000 |
| Support - Fire Dist #6 - 2% rebate | 40,000 | 75,000 | 74,696 | (304) |
| Interest income | 20 | 20 | 4,407 | 4,387 |
| Grants | 15,000 | 15,000 | 73,714 | 58,714 |
| Donations & fundraising | 28,999 | 28,999 | 38,552 | 9,553 |
| Miscellaneous | 2,000 | 1,600 | 151 | (1,449) |
| Insurance proceeds | 500 | 500 | 10,879 | 10,379 |
| | <u>459,519</u> | <u>494,119</u> | <u>608,398</u> | <u>114,279</u> |
| Expenditures: | | | | |
| Donations & fundraising | 15,500 | 16,000 | 5,279 | 10,721 |
| Dues | 565 | 565 | 500 | 65 |
| Conventions and meetings | 8,000 | 9,000 | 8,456 | 544 |
| Firefighting supplies & expense | 18,000 | 18,000 | 8,230 | 9,770 |
| Insurance | 46,605 | 46,605 | 50,909 | (4,304) |
| Meals | 10,000 | 10,000 | 10,290 | (290) |
| Repairs and maintenance | 235,333 | 240,433 | 135,876 | 104,557 |
| Supplies | 7,215 | 7,215 | 4,223 | 2,992 |
| Utilities | | | 14,741 | (14,741) |
| Professional fees | 5,050 | 5,050 | 4,700 | 350 |
| Capital Outlay | 104,500 | 104,500 | 70,624 | 33,876 |
| | <u>450,768</u> | <u>457,368</u> | <u>313,827</u> | <u>143,541</u> |
| Excess (deficiency) of revenues over expenditures | 8,751 | 36,751 | 294,572 | |
| Fund balance, beginning | <u>not budgeted</u> | <u>not budgeted</u> | <u>712,187</u> | |
| Fund balance, ending | <u>not budgeted</u> | <u>not budgeted</u> | <u>\$ 1,006,759</u> | |

See accompanying notes and auditors' report.

SUPPLEMENTAL INFORMATION

**ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA**

**Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2022**

Jeremy Babin, Fire Chief

| 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 | 0 |
| Registration fees | 0 |
| Conference travel | 0 |
| Continuing professional education fees | 0 |
| Housing | 0 |
| Unvouchered expenses* | 0 |
| Special meals | 0 |
| Others (Uniforms/Gear) | 0 |

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

Reports by Management

**ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022**

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

There were no findings in the prior year.

Section II – Management Letter:

There was no management letter issued in the prior year.

**ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA**

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2022**

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

| | |
|--------------------------------------|--|
| <u>Ref. No.</u> | 2022-01 |
| <u>Condition:</u> | Inadequate Segregation of Duties – Internal Control Material Weakness |
| <u>Criteria:</u> | For effective internal controls, there should be an adequate division of responsibilities. |
| <u>Cause:</u> | Due to the size of the Department’s operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control. |
| <u>Effect:</u> | To employ such controls may not be cost beneficial. |
| <u>Recommendation:</u> | Management should continue to look for ways to strengthen controls within the accounting department using the limited resources at hand. |
| <u>Management’s response:</u> | This is a common deficiency noted in audits of small entities. The department’s office does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the finding. Therefore, this deficiency cannot be remedied in a cost- effective manner. |

| | |
|--------------------------|---|
| <u>Ref. No.</u> | 2022-02 |
| <u>Condition:</u> | Inadequate Controls over Credit Cards – Internal Control Material Weakness |
| <u>Criteria:</u> | Effective internal controls are needed to ensure proper use and reporting of credit card activity. |

**ST. JOHN VOLUNTEER FIRE DEPARTMENT, INC.
THIBODAUX, LOUISIANA**

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2022**

| | |
|--------------------------------------|--|
| <u>Cause:</u> | The Department does not have a written policy for credit cards. The Department had three active credit cards during the fiscal year. All monthly statements reporting activity during the fiscal year were tested for proper support and approval for each purchase. Of the 25 statements tested, 15 statements had at least one transaction without supporting documentation (60%). Of the 15 statements lacking supporting documentation for at least one transaction, 13 were for the credit card issued to the Chief (87%). |
| <u>Effect:</u> | Without adequate internal controls over credit card use, the risk of improper activity related to the purchases increases significantly. |
| <u>Recommendation:</u> | Management should adopt a credit card policy which outlines (1) how credit cards are to be controlled, (2) allowable business use, (3) documentation requirements, (3) required approvers of statements and (5) monitoring usage. Management should ensure that all credit card transactions are properly authorized, valid, and support the mission of the Department. Additionally, supporting documentation for each transaction must be maintained to substantiate the purchase and a review of each statement, including supporting documentation for each transaction, should be performed monthly by someone who is not an authorized user of that credit card. |
| <u>Management's response:</u> | The Department's board agrees with the recommendations and will work to adopt a written policy over credit card use and implement stronger controls over all Department credit cards. |

Section II – Management Letter:

There was no management letter issued in the current year.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



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

**Board of Directors
St. John 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 the governmental activities and each major fund of the St. John Volunteer Fire Department, Inc. (the Department), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated June 29, 2023.

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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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. Given these limitations, during our audit we did identify deficiencies in internal control that we consider to be material weaknesses. These items are reported on pages 24 and 25 as reference numbers 2022-1 and 2022-02.

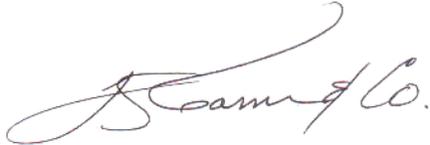
Report on Compliance and Other Matters

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 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Thibodaux, Louisiana
June 29, 2023



ST. JOHN VOLUNTEER FIRE DEPARTMENT

Thibodaux, Louisiana

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

Statewide Agreed-Upon Procedures

Year Ended December 31, 2022

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
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
St. John 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 January 01, 2022 through December 31, 2022. The St. John Volunteer Fire Department, Inc. (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 January 01, 2022 through December 31, 2022. 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. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception noted. The Department has no written policies and procedures which address the items above.

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. The board met on a frequency in accordance with the board's bylaws. All meetings maintained a quorum.

- 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.*

Exception noted. The minutes did not reference budget-to-actual comparisons; however, the Treasurer stated that the board receives a budget-to-actual report quarterly at the board meeting.

- 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.

No exceptions. Prior year unassigned general fund fund balance was not negative.

- 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. There were no prior year 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);

Exception noted. The Treasurer performs a bank reconciliation; however, there is no evidence to indicate when this was performed.

- ii. Bank reconciliations include written 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

Exception noted. The Treasurer performs all of the above functions due to a lack of personnel.

- 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. There were no items outstanding for more than 12 months of the statement closing date.

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;
- 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;
- 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; and
- 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.

Exceptions noted. Cash is not received; therefore, cash drawers are not utilized. Collection procedures are handled by the treasurer who performs all collection and deposit duties due to lack of sufficient personnel to properly segregate duties.

- 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.

- 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). Alternatively, 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.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).

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

No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases/payments, 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 list of locations that process payments from management and management provided representation that the listing is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the 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;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - 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;
 - 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; and
 - v. Only employee/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.

Exception noted. Due to lack of personnel, the Treasurer performs most of the functions above. The entire board does approve all payments for expenditures prior to payment either by electronic means or at the board meetings. The board also requires all checks must be signed by two board members who inspect the related invoice.

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 noted.

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

Exception noted. Due to lack of personnel, duties are not segregated as listed in #5B; however, there was evidence of the board approval for the invoices as well as having two signatures on each check.

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.

Exception noted. Utilities were the only electronic disbursements paid during the year. There were no prior approvals for each electronic disbursement.

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.

Management has provided a list of all active credit cards, bank debit cards, fuel cards and purchase cards and provided representation that the list 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]; and

Exception noted. There is evidence of the Treasurer's review of the statements as indicated by his handwriting on the statements; however, there is no approval procedure and for one card there is no approval by someone other than an authorized card holder.

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

No exceptions noted.

- C. Using the monthly statements or combined statements selected under #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.

Exceptions noted. I tested all transactions for each of the three credit cards. There was one transaction, a charge to a local garden center for \$46.80, which did not have supporting documentation. Management does not have compensating controls to address missing receipts.

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

Management provided representation that there were no travel nor travel related expense reimbursements, paid by public funds, during the fiscal year.

- 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.

Not applicable. The Department did not have any travel or travel related reimbursements paid by public funds during the year.

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 a list of contracts initiated or renewed from management and management provided 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;
- 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);
- 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, the documented approval); and
- 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. The Department's only contract entered into or renewed during the year was the practitioner's contract.

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.

Management provided representation that the Department has no employees nor elected officials.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #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 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.

Not applicable. The Department did not have any employees during the year.

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. The Department is 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.

Management provided representation that there were no bond/notes or other debt instruments issued during the fiscal year.

- 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).

Management provided representation that there were no bond/notes or other debt instruments outstanding at the end of the fiscal year.

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.

No exceptions. There were no alleged or actual reports of misappropriations of public funds during the 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 noted.

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 there is no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence 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 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.

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.

We performed the procedure and discussed the results with management.

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 that 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. The Department is a nonprofit organization.

Managements Response: The Department's Board agrees with all exceptions and will continue to work to improve processes to ensure effective and efficient handling of all transactions and compliance with all requirements.

We were engaged by the St. John Volunteer Fire Department, Inc. 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 St. John Volunteer Fire Department, Inc. 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 blue ink, appearing to read "Blair H.", is positioned above the typed text.

Thibodaux, Louisiana
June 29, 2023