

***Lafourche Parish Fire Protection District
No. 1***

ANNUAL FINANCIAL REPORT

***As of and for the Year Ended
December 31, 2023***

Lafourche Parish Fire Protection District No. 1
ANNUAL FINANCIAL REPORT
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Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

The following narrative is presented to facilitate a better understanding of the year-end financial position and results of operations for the year ended December 31, 2023. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the financial performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the District.

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$4,151,635 (net position).
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$2,330,005 including the cost of trucks and equipment less accumulated depreciation.
 - (2) Unrestricted of \$1,821,630 representing the portion available to maintain the continuing obligations to citizens and creditors.
- Total spending for all public safety activities was \$858,925 for the year, which was \$679,171 more than the program revenues for these activities. The general revenues used to offset the shortfall for program expenditures totaled \$638,925 which consisted of ad valorem tax and revenue sharing revenue.
- The governmental funds reported total ending fund balance of \$2,496,493, of which \$1,710,671 was unassigned and \$110,959 was non-spendable for prepaid insurance. This compares to the prior year ending fund balance – of \$1,837,884, showing a slight decrease of \$16,254.
- Total revenue reported for all governmental funds was \$818,679, comprised mainly of property taxes and insurance rebates. Total expenditures were \$834,933, including \$240,126 of capital expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance.

A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The District utilizes the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

The Statement of Net Position and the Statement of Activities reports governmental activities. Our analysis below focuses on the net position of the governmental-type activities:

Condensed Statement of Net Position	2022	2023	Increase (Decrease)
Current and Other Assets	\$ 2,514,771	\$ 2,496,493	\$ (18,278)
Capital Assets	2,353,997	2,330,005	(23,992)
Total Assets	4,868,768	4,826,498	(42,270)
Current Liabilities	35,780	-	(35,780)
Deferred Inflows	641,107	674,863	33,756
Net Invested in Capital Assets	2,353,997	2,330,005	(23,992)
Unrestricted	1,837,884	1,821,630	(16,254)
Total Net Position	\$ 4,191,881	\$ 4,151,635	\$ (40,246)

Net position decreased slightly by \$40,246 – about 1%, as a result of this year's operations, which indicates that the overall financial position basically remained the same. The majority of the decrease was from the increase in cash due to fire department operations. Capital assets and the Net Investment in Capital Assets decreased because the depreciation recorded was more than the capital purchases. The balance in net position represents the accumulated results of all past years' operations.

Total revenues generated by governmental activities for the year were \$818,679 (\$179,754 in program revenues and \$638,925 in general revenues), an increase from the prior year of about 12%. The total cost of all public safety services provided was \$858,925, also an increase from the prior year of over \$220,000 or 26%.

Our analysis below focuses on the operations of the governmental-type activities:

Condensed Statement of Activities	2022	2023	Increase (Decrease)
Charges for Services	\$ 10,254	\$ 17,376	7,122
Operating Grants and Contributions	121,180	162,378	41,198
Program Expenses:			
Current	359,381	594,807	235,426
Depreciation - unallocated	269,796	264,118	(5,678)
Total program expenses	629,177	858,925	229,748
Net program income	(497,743)	(679,171)	(181,428)
General revenues	586,493	638,925	52,432
Change in Net Position	88,750	(40,246)	128,996
Net Position:			

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Beginning of the year	4,103,131	4,191,881	88,750
End of the year	\$ 4,191,881	\$ 4,151,635	\$ (40,246)

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General Fund reported an ending fund balance of \$1,821,630, of which \$110,959 is non-spendable for prepaid insurance, the remainder of \$1,710,671 is considered unassigned and available to spend. The General Fund revenues totaled \$818,679 and were primarily ad valorem taxes levied for maintenance and operations for fire protection in the District of \$631,575 (77%). These revenues were reduced by current expenditures for fire protection of \$594,807 and capital outlay for station equipment and improvement, truck inventory, and other necessary equipment of \$240,126.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments necessary to the original budget for the General Fund during the year. Total revenue and expenditure variances were favorable on the budget comparison schedules presented and are considered in compliance with the State Budget Law. More information on the current year budget can be found in the General Fund Budgetary Comparison Schedule.

CAPITAL ASSETS

A summary of capital assets for the current and prior year follows:

	2022	2023
Land	\$ 405,051	\$ 405,051
Stations & Equipment	1,489,312	1,664,343
Trucks & Equipment	2,598,495	2,598,495
Other Equipment	569,260	634,356
Total Cost	5,062,118	5,302,245
Accumulated Depreciation	2,708,122	2,972,240
Net Capital Assets	\$ 2,353,996	\$ 2,330,005

Lafourche Parish Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

Depreciation Expense	\$ 269,796	\$ 264,118	
	\$ 269,796	\$ 264,118	

Additions to capital assets were made for \$175,031 for improvements to stations and equipment and \$65,096 for other equipment. There were no assets deleted this year. More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of the 2024 adopted on December 6, 2023 at a special board meeting for the General Fund include:

Beginning Fund Balance	\$ 1,780,659
Projected Revenue	656,500
Projected Expenditures	(2,437,059)
Ending Fund Balance	\$ 100

The Ad valorem tax is based on the 2020 voter approved millage of 10.00 mills and approved by the Lafourche Parish Council. According to standard budget procedures, we used 95% of the estimated gross revenue by the Assessor's office of \$609,000.

A portion of the ad valorem tax proceeds (\$160,052) and the remaining budgeted funds not used in 2023 for the capital reserve will enable purchases to meet the regulations for required equipment and improvements to stations. The Board has budgeted capital improvement for Facilities (\$264,000); Fire Trucks (\$858,000); Training Center (\$709,500); and Hurricane Ida Repairs (\$100,000). All other expenditures are budgeted to remain relatively the same as our 2023 budget.

The commissioners do not receive per diem and all the firefighters are volunteers.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Lafourche Parish Fire Protection District No. 1 finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Lester Griffin, Chairman
P.O. Box 156
Raceland, LA 70394
985-537-7517



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 1
Lafourche Parish, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District #1 (the District), a component unit of Lafourche Parish Council, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 District, 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's 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 statement that are free of 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 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 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, 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 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 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 Management’s Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.



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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation of Payments to the Agency Heads but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2024, on our consideration of the 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 testing, and not to provide an opinion on the 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 internal control over financial reporting and compliance.

Stagni & Company

April 20, 2024
Thibodaux, Louisiana



STAGNI & COMPANY, LLC

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Statement of Net Position

December 31, 2023

ASSETS

Cash	\$ 1,183,837
Investments	600,278
Property taxes receivable	120,267
Due from tax collector	476,123
Prepaid Insurance	110,959
Deposits	5,029
Capital Assets, net of accumulated depreciation	<u>2,330,005</u>
TOTAL ASSETS	4,826,498

LIABILITIES

Accounts Payable	-
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DEFERRED INFLOWS OF RESOURCES

Property taxes levied for the next fiscal year	674,863
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NET POSITION

Net investment in capital assets	2,330,005
Unrestricted	<u>1,821,630</u>
TOTAL NET POSITION	<u>\$ 4,151,635</u>

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1
LAFOURCHE PARISH, LOUISIANA

Statement of Activities - Governmental Activities
For the Year Ended December 31, 2023

	Expenses	Charges for services	Operating Grants	Net Revenue (Expense)
FUNCTIONS/PROGRAMS				
Public safety activities	\$ 858,925	\$ 17,376	\$ 162,378	\$ (679,171)
Total governmental activities	858,925	17,376	162,378	(679,171)
GENERAL REVENUES				
				631,575
				7,350
				638,925
CHANGE IN NET POSITION				(40,246)
NET ASSETS:				
				4,191,881
				\$ 4,151,635

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Balance Sheet - Governmental Funds
December 31, 2023

	<u>General Fund</u>
ASSETS	
Cash	\$ 1,183,837
Investments	600,278
Property taxes receivable	120,267
Due from tax collector	476,123
Prepaid Insurance	110,959
Deposits	5,029
Total assets	<u>\$ 2,496,493</u>
LIABILITIES	
Accounts Payable	\$ -
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for the next fiscal year	674,863
FUND BALANCES	
Non-spendable - Prepaid Insurance	110,959
Unassigned	1,710,671
	<u>1,821,630</u>
Total liabilities and fund balances	<u>\$ 2,496,493</u>

RECONCILIATION OF FUND BALANCES TO THE STATEMENT OF NET ASSETS:

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets, Nondepreciable	405,051	
Capital Assets, Depreciable	4,897,194	
Accumulated Depreciation	<u>(2,972,240)</u>	<u>2,330,005</u>
Net assets of governmental activities		<u>\$ 4,151,635</u>

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended December 31, 2023

	General Fund	
REVENUES		
Property Taxes	\$ 631,575	
Intergovernmental - State of Louisiana:		
State Revenue Sharing	7,350	
Insurance Rebate	102,378	
Reimbursement from Lafourche Parish	60,000	
Interest/Miscellaneous	17,376	
TOTAL REVENUES	<u>818,679</u>	
EXPENDITURES		
Current - General government:		
Ad valorem tax deductions	20,463	
Current - Public safety:		
Insurance	92,034	
Operating Exp-Trucks	10,020	
Maintenance-Trucks	48,704	
Maintenance -Buildings	332,648	
Communications	1,965	
Utilities	24,128	
Telephone	1,079	
Publications	16,208	
Professional Services	20,175	
Leases	500	
Training	3,362	
Fire fighting supplies	15,366	
Miscellaneous	8,155	
Total current	<u>594,807</u>	
Capital outlay	<u>240,126</u>	
TOTAL EXPENDITURES	<u>834,933</u>	
NET CHANGE IN FUND BALANCE	(16,254)	
FUND BALANCES		
Beginning of year	1,837,884	
End of year	<u>\$ 1,821,630</u>	\$ -

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances - Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds \$ (16,254)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 240,126	
Depreciation Expense	<u>(264,118)</u>	(23,992)

Change in net assets of governmental activities \$ (40,246)

See notes to financial statements.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

The Lafourche Parish Council adopted a resolution creating Fire Protection District No. 1 of the Parish of Lafourche, Louisiana and defining and describing the boundaries thereof on May 13, 1953. The District comprises that territory within the present boundaries of Police Jury Wards three and seven of Lafourche Parish. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds, and levy taxes.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

A. Reporting Entity

As the governing authority, the Lafourche Parish Government is the financial reporting entity for Lafourche Parish. Because the Lafourche Parish Government could by definition in statute be financially burdened by the Lafourche Parish Fire Protection District #1, the District was determined to be a component unit of the Lafourche Parish Government. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Government, the general government services provided by that governmental unit, or any other governmental reporting entity.

The Parish Council appoints the voting majority of the Board of Commissioners of the District. The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Lafourche Parish Government.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basic Financial Statements – Basis of Presentation

Government-Wide Financial Statements

The basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type activities. All of the services are classified as governmental activities for public safety.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net position is reported in three parts—net investment in capital assets, restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the functions and activities. These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (ad valorem taxes, state revenue sharing, interest earned, etc). This government-wide focus is more on the sustainability as an entity and the change in the net assets resulting from the current year's activities.

Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Governmental Funds

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

C. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus / Basis of Accounting (continued)

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2021 property taxes which were levied to finance the 2023 budget are recognized as revenue in 2023. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable or available until actually received.

Expenditures – The major expenditures current public safety supplies, insurance and repair and maintenance of equipment and facilities are recorded when payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Use of Estimates

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

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District. The Board, as allowed by state law, does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

G. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, 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.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

H. Receivables

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

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

I. Capital Assets

Capital assets are recorded at historical cost of \$1,500 or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>CATEGORY</u>	<u>LIFE</u>
BUILDINGS	25 YEARS
TRUCKS	15 YEARS
EQUIPMENT	5 YEARS

J. Fund Equity

For government-wide financial statements net assets are classified and displayed in three components:

1. Net invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “net invested in capital assets.”

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Board through approval in minutes. Assigned fund balances is a limitation imposed by a designee of the Board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 DEPOSITS

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At year end, the reported amount of deposits was \$1,784,115 and the bank balance was \$1,784,492. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that in an event of a bank failure, the deposits may not be returned to it. Of the total bank balance, \$850,278 is considered exposed to custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The District has securities pledged adequately to cover these deposits.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 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 entity that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 AD VALOREM TAX REVENUE

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law.

A reevaluation of all property is required to be completed no less than every four years. The Lafourche Parish Assessor informed the District that as a result of the devastation caused by Hurricane Ida they would be conducting a revaluation as per RS 47:1978.1. The revaluation was completed in February 2022. The District plan proposed and adopted a budget for 2023 in December 2022 at 20-25% less than the previous year. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 AD VALOREM TAX REVENUE

The current tax rate for the 2022 levy (2023 revenue) was \$10 per \$1,000 of assessed valuation on property within Lafourche Parish Fire Protection District No. 1 for the purpose of maintaining and operating fire protection facilities and programs. The current millage was for 10 years and expires in 2031. The assessed values of real property upon which 2022 levy (2023 revenue) were based was \$64,110,731

Note 4 AD VALOREM TAXES RECEIVABLE - DUE FROM TAX COLLECTOR

The Lafourche Parish Sheriff collects and remits property taxes on behalf of all taxing districts in their respective jurisdictions. Property taxes receivable represents real property taxes, and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred revenue since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a modified accrual basis the revenue is reported as a deferred inflow of resources.

The tax rate for the year ended December 31, 2023 – for revenue to be recognized in 2024 was 10 mills of assessed valuation on property within the District. The assessed values of real property upon which the 2024 property taxes are based on is \$67,486,380.

Note 5 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT No. 1

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental activities	Balance 12/31/22	Additions/ Donations	Deletions	Balance 12/31/23
Land	\$ 405,051	-	\$ -	\$ 405,051
Stations & Equipment	1,489,312	\$175,031	-	1,664,343
Trucks & Equipment	2,598,495	-	-	2,598,495
Other Equipment	569,261	65,095	-	634,356
Total Depreciable assets	\$4,659,068	240,126	-	\$4,897,194
Total Cost of Assets	\$5,062,119	\$240,126	\$ -	\$5,302,245

Less accumulated depreciation:

Stations & Equipment	\$962,567	\$53,418	\$ -	\$1,015,985
Trucks & Equipment	1,472,051	157,424	-	1,629,475
Other Equipment	273,504	53,276	-	326,780
Total Accumulated Depreciation	2,708,122	264,118	-	2,972,240
Net Capital Assets	\$2,353,997			\$2,330,005

Depreciation expense for the year was \$264,118 recorded in governmental activities.

Note 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2023

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final (amended)		
REVENUES				
Property Taxes	\$ 589,000	\$ 609,052	\$ 631,575	\$ 22,523
State of Louisiana:				
State Revenue Sharing	6,500	6,500	7,350	850
Insurance Rebate	58,000	58,000	102,378	44,378
Reimbursement from Lafourche Parish			60,000	
Interest/Miscellaneous	3,000	3,000	17,376	14,376
TOTAL REVENUES	<u>656,500</u>	<u>676,552</u>	<u>818,679</u>	<u>82,127</u>
EXPENDITURES				
Current - General government				
Ad valorem tax deductions	20,000	20,463	20,463	-
Current - Public safety				
Insurance	100,000	100,000	92,034	7,966
Operating Exp-Trucks	10,000	10,000	351	9,649
Maintenance-Trucks	80,000	80,000	48,704	31,296
Turn out Gear - SCBA	40,000	33,000	14,260	18,740
Nozzles & Fittings - Hoses	12,000	12,000	9,669	2,331
Maintenance -Buildings	293,725	637,234	332,648	304,586
Utilities	30,000	30,000	24,128	5,872
Fire Fighting Equipment	20,000	19,000	1,106	17,894
Telephone	1,000	2,000	1,079	921
Communications	60,000	60,000	1,965	58,035
Publications	17,000	17,000	16,208	792
Professional Services	25,000	25,000	20,175	4,825
Leases	500	500	500	-
Training	10,000	10,000	3,362	6,638
Permits/Fees	1,000	1,000	150	850
Miscellaneous	5,000	12,000	8,005	3,995
Total current	<u>725,225</u>	<u>1,069,197</u>	<u>594,807</u>	<u>474,390</u>
Capital outlay	<u>1,711,834</u>	<u>1,387,914</u>	<u>240,126</u>	<u>1,147,788</u>
TOTAL EXPENDITURES	<u>2,437,059</u>	<u>2,457,111</u>	<u>834,933</u>	<u>1,622,178</u>
NET CHANGE IN FUND BALANCE	(1,780,559)	(1,780,559)	(16,254)	1,764,305
FUND BALANCES				
Beginning of year	1,780,659	1,780,659	1,837,884	57,225
End of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 1,821,630</u>	<u>\$ 1,821,530</u>

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 1
 Schedule of Compensation, Benefits and Other Payments to Agency Head
 For the Year Ended December 31, 2023

Agency Head Name: Mr. Lester Griffin, Board President

Purpose	Amount
Salary	\$0
Benefits-insurance	\$0
Benefits-retirement	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (describe)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$0
Dues	\$0
Vehicle rental	\$0
Per diem	\$0
Reimbursements for Office Supplies	\$ 267
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

This form is used to satisfy the supplemental reporting requirement of R.S. 24:513(A)(3)



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**Independent Auditor's Report on Internal Control over Financial Reporting
And On Compliance and Other Matters Based On an Audit Of
Financial Statements Performed In Accordance With
Government Auditing Standards**

To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 1
Raceland, LA

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 Lafourche Parish Fire Protection District No. 1, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated April 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

April 20, 2024
Thibodaux, Louisiana



STAGNI & COMPANY, LLC

***LAFOURCHE PARISH FIRE
PROTECTION DISTRICT NO. 1***

**Statewide Agreed Upon
Procedures Report
With Schedule of Findings
and Management's Responses**

***As of and for the Year Ending
December 31, 2023***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

STATEWIDE AGREED-UPON PROCEDURES REPORT

Lafourche Parish Fire District #1

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2023 – December 31, 2023

To the Board of Commissioners
Lafourche Parish Fire Protection District #1 and
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 1, 2023 through December 31, 2023. The Lafourche Parish Fire Protection District #1 (District) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its 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 results are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe that 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 rates 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. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- viii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees, including elected 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.

Results: *There are no findings for these procedures tested.*

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.



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- ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit 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.*
- 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.
- iv. Observe that 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.

Results: *There are no findings for these procedures tested.*

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);
 - 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
 - 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.

Results: *There are no findings for these procedures tested.*

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).
- 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 that are 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 also 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.
 - 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 also responsible for collecting cash, unless another employee verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations". 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 that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Results: *There are no findings for these procedures tested.*

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #8 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.
 - 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.
- C. For each location selected under #8 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 that 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.
 - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- D. Using the entity's main operating account and the month selected in "Bank Reconciliations" procedure #3, 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

Results: *There are no findings for these procedures tested.*

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 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 that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing, by someone other than the authorized card holder.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.



- C. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: *There are no findings for these procedures tested.*

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, agree the reimbursement rate to 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 that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *There are no findings for these procedures tested.*

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. 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:
- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).



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- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: *There are no findings for these procedures tested.*

9) Payroll and Personnel

Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, 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/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe that 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 policy on termination payments. Agree the hours to the employee or officials' cumulate 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.

Results: *These procedures are not applicable.*

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:



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- i. Observe that the documentation demonstrates that each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.
 - ii. Observe that the entity maintains documentation which demonstrates that each employee/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.

Results: *There are no findings for these procedures tested.*

Debt Service

- C. Obtain a listing of bonds/notes 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.
- D. 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).

Results: *These procedures are not applicable.*

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.
- B. Observe that 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.

Results: *There are no findings for these procedures tested.*

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 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.



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- 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.
 - 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 under "Payroll and Personnel" above. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Results: *We performed the procedure and discussed the results with management.*

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, 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 that 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 that 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.



Results: *There are no findings for these procedures tested.*

We were engaged by the District 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Stagni & Company

Thibodaux, LA
June 12, 2024



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