

Financial Report

*Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture
Garyville, Louisiana*

December 31, 2023



Financial Report

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Garyville Timber Museum Joint Venture
Garyville, Louisiana***

December 31, 2023

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture,
Garyville, Louisiana.

Opinion

We have audited the accompanying financial statements of Louisiana Steam Train Association/Garyville Timber Museum Joint Venture (the "Joint Venture") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Steam Train Association/Garyville Timber Museum Joint Venture as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits continued 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 Joint Venture 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Joint Venture's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Joint Venture'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, which raise substantial doubt about the Joint Venture'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.

Reports on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Schedule 1 is presented for purposes of additional analysis, as required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedule 1 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2025 on our consideration of the Joint Venture's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with 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 Joint Venture's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
September 9, 2025.

STATEMENT OF FINANCIAL POSITION

**Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture**
Garyville, Louisiana

December 31, 2023

ASSETS**Assets**

Cash

\$511,910

LIABILITIES AND NET ASSETS**Liabilities**

Due to related parties

\$ 11,665

Deferred revenue - state grant

496,245

Deferred revenue - other

4,000

Total liabilities

511,910

Net Assets

Without donor restrictions

-

Total liabilities and net assets

\$511,910

See notes to financial statements.

STATEMENT OF ACTIVITIES

**Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture**
Garyville, Louisiana

For the year ended December 31, 2023

	<u>Without Donor Restrictions</u>
Revenues and Other Support	
State grant	<u>\$3,755</u>
Expenses	
Management and general	<u>3,755</u>
Change in Net Assets	-
Net Assets	
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>
See notes to financial statements.	

STATEMENT OF FUNCTIONAL EXPENSES**Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture
Garyville, Louisiana**

For the year ended December 31, 2023

Management and General

Bank charges	\$ 32
Office supplies	393
Professional fees	<u>3,330</u>
Total expenses	<u><u>\$ 3,755</u></u>

See notes to financial statements.

STATEMENT OF CASH FLOWS**Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture
Garyville, Louisiana**

For the year ended December 31, 2023

Cash Flows From Operating Activities

Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in operating liabilities:	
Increase in deferred revenue - state grant	496,245
Increase in due to related party	<u>11,665</u>
Net cash provided by operating activities	507,910

Cash

Beginning of year	<u>4,000</u>
End of year	<u><u>\$ 511,910</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture**
Garyville, Louisiana

December 31, 2023

Note 1 - NATURE OF ACTIVITIES

Established on July 18, 1997, the Louisiana Steam Train Association (LASTA) was formed to restore and operate historic railroad equipment, provide railway excursions and tours and offer other educational opportunities. LASTA is a tax exempt organization under Section 501(c)(3).

LASTA began with a unique goal of restoring the Southern Pacific #745, the last surviving Louisiana-built steam locomotive. This locomotive hauled freight and the occasional troop train through the heartlands of Texas and Louisiana, earning a unique place in history. The steam engine is owned by the Historic Railway Charitable Trust of Louisiana and leased to LASTA for a nominal amount through November 2030.

Established on July 21, 1989, the Garyville Timbermill Museum (GTM) was formed to preserve and maintain the former headquarters of the Lyons Lumber Company in Garyville, Louisiana. GTM is a tax exempt organization under Section 501(c)(3).

GTM is dedicated to preserving the region's timber production heritage and the local community's history. The museum's location is significant as it was the nerve center of the timbermill operations and the home of the Garyville Northern Railroad.

LASTA and GTM entered into a non-binding letter of intent on November 3, 2021, intending to form a new organization to advance their goals. With the support of the River Parish Tourist Commission, the two organizations entered into an agreement forming the Louisiana Steam Train Association/Garyville Timber Museum Joint Venture (the "Joint Venture") on May 27, 2022. The Joint Venture is a tax exempt organization under Section 501(c)(3).

Membership in the Joint Venture shall be on a stockholder basis and open only to other not-for-profit organizations. Presently LASTA and GTM each own 50% of the number of shares of outstanding stock.

The Joint Venture is dedicated to preserving, celebrating, and sharing the region's rich history. The Joint Venture is committed to enhancing tourism and providing invaluable educational resources for the local community and visitors alike. The Joint Venture efforts will drive economic growth and cultural enrichment, ensuring that its historical assets are safeguarded for future generations.

Note 1 - NATURE OF ACTIVITIES (Continued)

The Joint Venture is not just about preservation; it's about enhancing the educational opportunities, tourism appeal, and economic development of the town of Garyville, Saint John Parish, and the broader River Region. By preserving the history of the railroad, timber production, and the local community, they are creating a valuable resource for future generations.

Preservation and Operation of Historical Assets:

- Restoration of the railroad museum while preserving the original architecture and incorporating modern amenities.
- Restoration Southern Pacific #745 will be a significant focus. Once operational, this iconic locomotive will be a testament to the Joint Venture's commitment to preserving the region's railway history.
- Relocation of Southern Pacific #745 and other rolling stock to Garyville will offer a suitable operating location, providing visitors with a unique learning experience about the region's railway history.
- Construction of a new tourist railroad with approximately 1-mile track, a depot, a passenger platform and a maintenance shop will occur in several phases.

Tourism and Economic Development:

- Promoting local history, railroad operations, and regional heritage will significantly enhance tourism potential. The Joint Venture's efforts will attract visitors, boost the local economy and create new growth opportunities.
- Creating new intermodal opportunities integrating rail, hiking, and biking options will encourage eco-tourism and recreational activities for visitors and residents alike.

Education and Outreach:

- Providing educational resources to students, educators, and the general public to deepen their understanding of the region's history and culture. Railroad industry job training is another long-range goal that will supply supplemental income.
- Promoting "Operation Lifesaver" will raise awareness of railroad safety.

Asset Ownership and Authority:

- The legal title of the assets provided for the Joint Venture will remain the property of the respective parties (i.e., LASTA and GTM).
- Acquired assets will be owned jointly.
- LASTA holds primary operating authority over the rail equipment.
- GTM holds primary operating authority over the museum building and land.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Income Taxes

The Joint Venture is a nonprofit corporation organized under the laws of the State of Louisiana in 1964. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S.47:121(5).

b. Basis of Accounting

The financial statements of the Joint Venture are prepared on the accrual basis of accounting. In accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

c. 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. Actual results could differ from those estimates.

d. Financial Statement Presentation

Net assets, revenues, and expenses are based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Joint Venture and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations and are available to support the general operations of the joint venture.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that will be met either by action of the Joint Venture and/or the passage of time, or net assets subject to donor-imposed stipulations that are maintained in perpetuity. The Joint Venture does not have any restricted revenues or net assets.

e. Cash and Cash Equivalents

For purposes of reporting cash flows, the Joint Venture considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Joint Venture did not have any cash equivalents as of December 31, 2023.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Contributions and Revenue Recognition

Contributions are recorded as support with donor restrictions or support without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as support without donor restrictions.

g. Grants

Revenues from state grants and other sources are recognized as costs are incurred under terms of the grant agreements. Grants that contain conditions that must be met are recorded as deferred revenues until the conditions are met.

h. Methods Used For Allocation of Expenses

The expenses for 2023 are considered to be management and general expenses, a supporting function.

i. Tax Matters

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 31, 2023, management of the Joint Venture believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The tax year ended December 31, 2022 (the initial year) remains subject to examination by the taxing authorities.

j. Recently Issued Accounting Standards

Leases

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, "Leases" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial Position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Recently Issued Accounting Standards (Continued)

Leases (Continued)

In November 2021, the FASB issues ASU No. 2021-09, “*Leases*” (Topic 842) “*Lease Discount Rate for Lessees That Are Not Public Business Entities*” currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee uses that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election.

These standards are not applicable to the Joint Venture presently, and will be evaluated in subsequent years.

k. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through September 9, 2025, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

The Joint Venture maintains its cash and investment accounts in various financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. As of December 31, 2023, cash deposits in excess of insured limits were approximately \$262,000.

Note 4 - GRANTS AND FUNDING

The details of the most significant grants and funding agreements are as follows:

The Joint Venture entered into a Cooperative Endeavor Agreement with the State of Louisiana in August 2023 for an appropriation of \$1,000,000 to restore and improve the Garyville Timbermill Museum, construct a trailhead and railway platform, construct and operate a tourist scenic railway, rebuild a historic steam locomotive, and revitalize the Garyville Historic District. During the year ended December 31, 2023, the Joint Venture received \$500,000 of this grant.

Note 4 - GRANTS AND FUNDING (Continued)

The Joint Venture entered into a Cooperative Endeavor Agreement with the State of Louisiana, Facility Planning and Control Administration in February 2023 for an appropriation of \$3,000,000 for capital improvements to develop a major tourist attraction for the St. John the Baptist Parish Region. The project includes rebuilding the steam engine, laying trackage, building a depot, improving the Garyville Timbermill Museum, and other improvements. There is a matching requirement that the Joint Venture will provide at least 25% of the total cost of each funding request. No amounts have been received under this grant.

The Federal Railroad Administration through the Louisiana Department of Transportation and Development awarded a grant of \$400,000 to LASTA during the year ended December 31, 2022, which was transferred to the Joint Venture, for the rebuilding of the Locomotive Southern Pacific #745. No amounts have been received under this grant.

LASTA was awarded a grant of \$100,000 in September 2022, by the State of Louisiana under the Federal Program FHWA Recreational Trails Program for the Garyville Ped-Bike Transit Trailhead. No amounts have been received under this grant.

Note 5 - RELATED PARTIES

As of December 31, 2023, \$11,665 is owed to LASTA and GTM, the only two members of the Joint Venture by ownership of stock.

Note 6 - LEASE OF STEAM ENGINE

LASTA leases the Historic Steam Locomotive from the Historic Railway Charitable Trust of Louisiana under a lease with nominal annual rent through 2030. Use of the locomotive is not recorded as a contribution of nonfinancial assets and related rent expense as the value of the lease is not readily determinable. This agreement is classified as an exchange transaction because both parties receive significant value from the arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

Note 7 - AVAILABILITY OF FINANCIAL ASSETS

The following table represents financial assets available for general expenditures within one year as of December 31, 2023:

Financial assets:	
Cash	\$ 511,910
Less amounts unavailable for general expenditures within one year, due to contractual or donor imposed restrictions:	
Purpose restricted net assets	<u> -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 511,910</u></u>

Note 8 - COMMITMENTS

The Joint Venture engaged Notch8 on December 31, 2023 to provide engineering services related to the installation of a turnout off the Illinois Central Railroad (ICR) siding track for \$16,000. As of December 31, 2023, no costs had been incurred.

In June 2023, the Joint Venture entered into a contract with Ground Services, LLC for \$9,500 to clear the grounds and perform site preparation for construction. As of December 31, 2023, no costs had been incurred.

Note 9 - SUBSEQUENT EVENTS

In February 2024, the Joint Venture entered into an agreement with Made Designs, LLC for architectural/engineering services for the restoration of the Garyville Timbermill Museum's main building, construction of a covered train platform, modifications to the rear annex building to convert it to a train depot, serve as contract administration for the rebuild of Locomotive Southern Pacific #745 and other services. This contract is for a maximum amount of \$67,000, based on 7% of estimated construction costs of \$800,000 plus \$1,000 estimated reimbursable expenses and a fixed fee of \$10,000 for certain services.

In January 2025, the Joint Venture purchased a tract of land for \$185,000 which will be part of the overall project.

SUPPLEMENTARY INFORMATION

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

**Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture
Garyville, Louisiana**

For the year ended December 31, 2023

Agency Head Name: Not applicable

Purpose

Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	\$ -

Note: The Association does not have an Executive Director or any employees, and Board Members are not compensated.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors,
Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture,
Garyville, 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 Louisiana Steam Train Association/Garyville Timber Museum Joint Venture (the “Joint Venture”) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, the Joint Venture’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Joint Venture’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Joint Venture’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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control described in the accompanying Schedule of Findings and Responses that we considered to be a significant deficiency as item 2023-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Joint Venture'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2023-002.

Response to Finding

The Joint Venture's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Joint Ventures response was not subject to the auditing procedures applied in the audit of the financial statement and, accordingly we express no opinion on it.

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 Joint Venture'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 Joint Venture's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,
September 9, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

Louisiana Steam Train Association/ Garyville Timber Museum Joint Venture Garyville, Louisiana

For the year ended December 31, 2023

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: Unmodified

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

The Joint Venture did not expend more than \$750,000 in Federal awards during the year ended December 31, 2023, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance.

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

Internal Control Over Financial Reporting

2023-001 Internal Control Structure

Criteria - The internal control structure should be designed to contain the following:

1. Segregation of duties to provide reasonable assurance that all transactions are being properly approved.
2. All accounts are reconciled in a timely manner, and account reconciliations are reviewed.
3. Timely preparation of internal financial statements and other financial information to ensure those in charge of governance can make financial decisions based upon current financial data.

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

Internal Control Over Financial Reporting (Continued)

2023-001 Internal Control Structure (Continued)

Condition - The Joint Venture's internal control structure presently is not operating effectively in certain instances including the lack of documentation of comparing checks received to bank deposits, lack of written policies and procedures for collections of cash, reconciliations of the bank account not preformed timely (within two months), approvals of bank reconciliations were not documented with the date of approval on the bank reconciliations, and a lack of segregations of duties for signing checks and mailing the checks.

Cause - Due to the size of the Joint Venture, 2023 being its initial year of activities and implementation of procedures related to reconciliations, approval, and posting of transactions for the first time.

Effect - The lack of adequate internal controls relating to deposits and account reconciliations could result in the financial statements being misstated.

Context - Systematic.

Recommendation - We recommend the Joint Venture implement adequate internal controls relating to bank deposits, transaction approval, and account reconciliation which provide for approval of all transactions and reconciliation of all accounts on a timely basis.

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

Compliance and Other Matters

2023-002 Late Filing of Audit Report with the Louisiana Legislative Auditor within Six Months of the Fiscal Year End (R.S. 24:513 and 24:514)

Criteria - Louisiana Revised Statutes 24:513 and 24:514 require the filing of the Joint Venture's annual audited financial statements with the Louisiana Legislative Auditor's Office within six months after the fiscal year end.

Condition - The Joint Venture was unable to file its annual audited financial statements with the Louisiana Legislative Auditor within six months after fiscal year end.

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

Compliance and Other Matters (Continued)

**2023-002 Late Filing of Audit Report with the Louisiana Legislative Auditor within Six
Months of the Fiscal Year End (R.S. 24:513 and 24:514) (Continued)**

Cause - Additional time was required by management to reconcile the general ledger, have organizational documents and policies prepared, engage a contracted accountant, and engage an audit firm for the annual audit.

Effect - The audit of the Joint Venture's financial statements could not be completed until subsequent to June 30, 2024 and as a result, the audited financial statements could not be filed with the Louisiana Legislative Auditor's Office within the six months required by Louisiana Revised Statutes 24:513 and 24:514.

Recommendation - We recommend that the year-end close and annual reconciliations be prepared timely by management and the contracted outside accountants to ensure that information requested by the auditors is available on a timely basis and to ensure adequate time is available to complete the audit and have the audited financial statements filed with the Louisiana Legislative Auditor within six months of the year end.

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

Section III - Internal Control and Compliance Material to Federal Awards

The Joint Venture did not expend more than \$750,000 in Federal awards during the year ended December 31, 2023, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Louisiana Steam Train Association/ Garyville Timber Museum Joint Venture Garyville, Louisiana

For the year ended December 31, 2023

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

Internal Control Over Financial Reporting

The financial statements as of and for the year ended December 31, 2022 (the initial year) were not required to be, and were not, audited.

Compliance and Other Matters

The financial statements as of and for the year ended December 31, 2022 (the initial year) were not required to be, and were not, audited.

Section II - Internal Control and Compliance Material to Federal Awards

The financial statements as of and for the year ended December 31, 2022 (the initial year) were not required to be, and were not, audited.

Section III - Management Letter

The financial statements as of and for the year ended December 31, 2022 (the initial year) were not required to be, and were not, audited.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Louisiana Steam Train Association/ Garyville Timber Museum Joint Venture Garyville, Louisiana

For the year ended December 31, 2023

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

Internal Control Over Financial Reporting

2023-001 Internal Control Structure

Recommendation - We recommend the Joint Venture implement adequate internal controls relating to bank deposits, transaction approval, and account reconciliation which provide for approval of all transactions and reconciliation of all accounts on a timely basis.

Management's Response - The Joint Venture will implement adequate internal control procedures to ensure checks received and deposits made are approved and reconciled, bank reconciliations are performed timely and the date of the review is documented on each, and duties of preparing and mailing checks will be separated.

Contact Person Responsible For Collections - Secretary.

Anticipated Completion Date - December 31, 2025.

Compliance and Other Matters

2023-002 Late Filing of Audit Report with the Louisiana Legislative Auditor within Six Months of the Fiscal Year End (R.S. 24:513 and 24:514)

Recommendation - We recommend that the year-end close and annual reconciliations be prepared timely by management and the contracted outside accountants to ensure that information requested by the auditors is available on a timely basis and to ensure adequate time is available to complete the audit and have the audited financial statements filed with the Louisiana Legislative Auditor within six months of the year end.

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

Compliance and Other Matters (Continued)

**2023-002 Late Filing of Audit Report with the Louisiana Legislative Auditor within Six
Months of the Fiscal Year End (R.S. 24:513 and 24:514) (Continued)**

Management's Response - The Joint Venture will implement procedures to ensure the audit is completed timely and the issuance of the audited financial statements to the Louisiana Legislative Auditor is performed timely and in compliance with L.R.S. 24:513 and 24:514.

Contact Person Responsible for Collections - Secretary

Anticipated Completion Date - December 31, 2025.

Section II - Internal Control and Compliance Material to the Federal Awards

The Joint Venture did not expend more than \$750,000 in Federal awards during the year ended December 31, 2023, and therefore, was exempt from the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2023.

STATEWIDE AGREED-UPON PROCEDURES (R.S. 24:513)

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Louisiana Steam Train Association/
Garyville Timber Museum Joint Venture,
Garyville, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2023 through December 31, 2023. Louisiana Steam Train Association/Garyville Timber Museum Joint Venture's (the "Joint Venture") management is responsible for those C/C areas identified in the SAUPs.

The Joint Venture has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

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

We are required to be independent of the Joint Venture and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
September 9, 2025.

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

**Louisiana Steam Train Association/
 Garyville Timber Museum Joint Venture**
 Garyville, Louisiana

For the year ended December 31, 2023

The required procedures and our findings are as follows:

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

A. Obtain and inspect Joint Venture's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Joint Venture's operations:

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iii. **Disbursements**, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue.

Performance: We requested the written policy for receipts.

Exceptions: The Joint Venture does not have written policies and procedures for receipts/collections.

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

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Not applicable to the Joint Venture.
- 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.
Not applicable to the Joint Venture.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Not applicable to the Joint Venture.
- 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).
Not applicable to the Joint Venture.
- 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 Joint Venture's ethics policy.
Not applicable for not-for-profit entities.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable for not-for-profit entities.
- 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.
Not applicable to the Joint Venture.
- 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.
Not applicable for not-for-profit entities.

2) Procedures Performed on the Joint Venture's 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 met with a quorum at least monthly, or on a frequency in accordance with the board/finance committee's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for 5 board meetings during the year, which was in accordance with the Joint Venture's bylaws.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the not-for-profit accounting model, observe whether 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.

Performance: The Joint Venture is reporting on the not-for-profit accounting model.

We read the minutes and confirmed that financial activity relating to public funds was discussed.

Exceptions: There were no exceptions noted.

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

Not applicable for not-for-profit entities.

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

Performance: Obtained and read the written minutes of the Board meetings. There were no audit findings in the prior year.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the Joint Venture's Bank Reconciliations:

- A. Obtain a listing of the Joint Venture's bank accounts from management and management's representation that the listing is complete. Ask management to identify the Joint Venture's main operating account. Select the Joint Venture'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 each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter. The Joint Venture only has 1 bank account. We selected the sole bank account and all 12 months of bank reconciliations.

Exceptions: No exceptions were noted.

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

Performance: Obtained monthly bank reconciliations for the sole bank account. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: We noted all 12 monthly bank reconciliations were prepared in January 2024 by the contract accountant.

- ii. Bank reconciliations include written evidence that a member of management or a Board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Performance: Examined the Joint Venture's documentation noting evidence of a member of management's review of all 12 bank reconciliations for the sole bank account selected.

Exceptions: While there was evidence that a member of management reviewed each reconciliation, the date of each review was not noted.

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

Performance: Inspected documents for items outstanding for more than 12 months. We noted no checks outstanding greater than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

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

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

Performance: Obtained the listing of deposit sites from management (there is only 1 deposit site) and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: The Joint Venture did not receive any cash donations (currency) and does not have cash drawers/registers.

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

Performance: The Joint Venture has one person receiving checks and a different person preparing the bank deposit.

Exceptions: There were no exceptions noted.

- 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; and

Performance: Inquired of client as to all the requirements and observed that job duties are properly segregated. The postings to the general ledger are done by the contract accountant.

Exceptions: There were no exceptions noted.

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

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

Performance: Inquired of client as to all the requirements and observed that job duties are properly segregated.

Exceptions: There were no exceptions noted.

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

Performance: Inquired if the Joint Venture has an insurance policy for theft covering all employees/officers who have access to cash. The Joint Venture does not have a policy.

Exceptions: The Joint Venture does not have a bond or insurance policy covering theft.

- D. Randomly select all 2 deposit dates for the sole bank account 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 3 deposits and

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

Performance: The Joint Venture only had 2 deposits for 2023, prenumbered forms were not used.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

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

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 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).

Performance: Examined documentation for the 2 deposits.

Exceptions: The deposits tested were not made within one business day of receipt.

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

Performance: Traced the actual deposits per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management (there is only 1 location) and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees/officers involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee/officer job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

- i. At least 2 employees/officers are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Performance: Obtained a listing of employees/officers involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.

Observed that at least 2 employees/officers are involved.

Exceptions: There were no exceptions noted.

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

- ii. At least 2 employees/officers are involved in processing and approving payments to vendors.

Performance: Obtained a listing of employees/officers involved in processing and approving payments to vendors. Observed at least two employees/officers are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees/officers involved in processing payments to vendors. Inquired with management if any employees/officers involved are adding/modifying vendor files. Due to the minimal number of transactions, no formal vendor files are maintained.

Exceptions: There were no exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Performance: Obtained a listing of employees/officers involved with signing and mailing checks and verified they are not involved in the processing of payments.

Exceptions: The same person performs both functions.

- 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.

Performance: There were no electronic disbursements in 2023.

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

Performance: Obtained the Joint Venture's non-payroll disbursement transaction population and management's representation that the population is complete. Selected the only disbursement made in 2023.

Exceptions: There were no exceptions noted.

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

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

Performance: Observed that the disbursement matched the related original invoice/billing statements and observed supporting documentation indicating deliverables were received.

Exceptions: There were no exceptions noted.

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

Performance: Observed the one disbursement included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the Joint Venture'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:

- i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the Joint Venture's policy.

Performance: There were no electronic disbursements in 2023.

- ii. Approved by the required number of authorized signers per the Joint Venture's policy.

Performance: There were no electronic disbursements in 2023.

6) Procedures Performed on the Joint Venture's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards):

Not applicable to the Joint Venture.

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

Not applicable to the Joint Venture.

8) Procedures Performed on the Joint Venture's Contracts:

Not applicable to the Joint Venture.

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

Not applicable to the Joint Venture.

10) Procedures Performed on the Joint Venture's 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 that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

Not applicable for not-for-profit entities.

ii. Observe whether the Joint Venture maintains documentation which demonstrates that each employee and official were notified of any changes to the Joint Venture's ethics policy during the fiscal period, as applicable.

Not applicable for not-for-profit entities.

iii. Inquire and/or observe whether the Joint Venture has appointed an ethics designee as required by R.S. 42:1170.

Not applicable for not-for-profit entities.

11) Procedures Performed on the Joint Venture's Debt Service:

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable for not-for-profit entities.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable for not-for-profit entities.

12) Procedures Performed on the Joint Venture's Fraud Notice:

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

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period, none were noted. We obtained management's representation in a separate letter. None were noted.

Exceptions: There were no exceptions noted.

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

Performance: Inquired of management of the existence of notice posted on the premises and website concerning the reporting of misappropriate fraud, waste, or abuse of public funds, inspected the notice posted on its website.

Exceptions: There were no exceptions noted.

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

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

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

Performance: We discussed with management and confirmed that the Joint Venture does not maintain financial data on its own computer system. The contract accountant reconciles the bank account and maintains the general ledger on his system.

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

Performance: We discussed with management and confirmed that the Joint Venture does not maintain financial data on its own computer system. The contract accountant reconciles the bank account and maintains the general ledger on his system.

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

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

Performance: We discussed with management and confirmed that the Joint Venture does not maintain financial data on its own computer system. The contract accountant reconciles the bank account and maintains the general ledger on his system.

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

Performance: The Joint Venture does not and has never had any employees.

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

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

The Joint Venture is neither a state nor a local agency, therefore, it is not applicable.

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

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

Not applicable for not-for-profit entities.

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

Not applicable for not-for-profit entities.

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

- C. Obtain the Joint Venture's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
Not applicable for not-for-profit entities.
- i. Number and percentage of public servants in the agency who have completed the training requirements.
Not applicable for not-for-profit entities.
- ii. Number of sexual harassment complaints received by the agency.
Not applicable for not-for-profit entities.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred.
Not applicable for not-for-profit entities.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.
Not applicable for not-for-profit entities.
- v. Amount of time it took to resolve each complaint.
Not applicable for not-for-profit entities.

Management's Overall Response to Exceptions:

- 1.A.iv. The Joint Venture does not have written policies and procedures for receipts/collections.

Management's Response: Written policies and procedures were not prepared for receipts/collection because activity was minimal with only 3 bank deposits made in 2023 for grants received and no cash (currency) collections. Management will implement written policies and procedures for receipts/collections.

- 3.A.i. Bank reconciliations were not prepared within 2 months of the statement closing date.

Management's Response: Management will implement procedures to ensure reconciliations are prepared timely.

- 3.A.ii. A member of management did review the bank reconciliations however, there is no evidence that the reviews were performed within one month of the date they were prepared.

Management's Response: Management will implement procedures to ensure management documents their review of bank reconciliations within one month of the date they were prepared.

Management's Overall Response to Exceptions: (Continued)

4.C. There was no bond or insurance policy covering theft during the testing period.

Management's Response: The Joint Venture will acquire an insurance policy covering theft.

4.D.iv. The deposits tested were not made within one business day.

Management's Response: Procedures will be implemented to ensure deposits are made timely.

5.B.iv. The same person processes payments to be made and is responsible for signing and mailing checks.

Management's Response: These duties will be segregated in the future.