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**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

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**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9**  
**OF JEFFERSON PARISH**  
**ANNUAL FINANCIAL REPORT**  
**Year Ended December 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the President and Board of  
Grand Isle Volunteer Fire Company No. 1 (GIVFD)  
Grand Isle, Louisiana

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Grand Isle Volunteer Fire Company No. 1 (GIVFD), as of and for the year ended, December 31, 2021, and the related notes to the financial statement, which collectively comprise the GIVFD's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the GIVFD, as of December 31, 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the GIVFD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or, error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the GIVFD's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the GIVFD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 4 through 12, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the GIVFD's basic financial statements. The Schedule of Revenues – Actual, Schedule of Expenditures – Actual and Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Revenues – Actual, Schedule of Expenditures – Actual and Schedule of Compensation, Benefits and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2022 on our consideration of the GIVFD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the GIVFD's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the GIVFD's internal control over financial reporting and compliance.

*Diez, Dupuy & Ruiz*

December 31, 2022  
Gonzales, Louisiana

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

As management of Grand Isle Volunteer Fire Company No. 1 (GIVFD), a non-profit entity d/b/a Fire Protection District No. 9 of Jefferson Parish, we offer readers of GIVFD's financial statements this narrative overview and analysis of the financial activities of GIVFD for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 13.

***FINANCIAL HIGHLIGHTS***

- The assets of GIVFD exceeded its liabilities at the close of the most recent fiscal year by \$83,156 (*Net Position*). Of this amount, \$243,752 or 293.1 percent is invested in capital assets, such as building, vehicles and firefighting equipment. The remaining balance (deficit) of \$160,596 (*Unrestricted Net Deficit*) or (193.1) percent represents the amount available to meet the entity's ongoing obligations to citizens and creditors.
- GIVFD's total Net Position decreased by \$239,050 or 74.2 percent during the current year because total expenses exceeded revenues by that amount.
- As of the close of the current fiscal year, GIVFD's governmental fund (the General Fund) reported a deficit in its fund balance of \$160,596, a decrease of \$115,566 or 256.6 percent in comparison with the prior year.
- GIVFD has a cooperative agreement with the Grand Isle Volunteer Emergency Services, Inc. (GIVES) (i.e., the ambulance district) for it to provide GIVES with administrative and operating support. All of the employees of GIVES were transferred to GIVFD in prior years. GIVES paid GIVFD \$416,732 during the year under this agreement.
- GIVFD had \$-0- in outstanding debt at year end.
- GIVFD is still feeling the effects of Hurricanes Katrina, Rita, Gustav, Ike, and others. Project worksheets continue to be worked through and reimbursements and costs continue. During 2021, FEMA continued to work on old outstanding project worksheets. There is still \$169,385 recognized in deferred revenues awaiting closure from FEMA.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

***OVERVIEW OF THE FINANCIAL STATEMENTS***

This discussion and analysis are intended to serve as an introduction to GIVFD's basic financial statements. GIVFD's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The "government-wide financial statements" are designed to provide readers with a broad overview of GIVFD's finances, in a manner similar to a private-sector business.

The "Statement of Net Position" presents information on all of GIVFD's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of GIVFD 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements are designed to distinguish functions of GIVFD that are principally supported by operating contracts 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). It should be noted that GIVFD only has governmental activities.

The government-wide financial statements include only the financial activities of GIVFD, which are made up of the "private" account and the "public funds" account. The government-wide financial statements can be found on pages 13 and 14 of this report.

**Fund financial statements.** A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GIVFD, because it is a "quasi-public" entity, uses fund accounting like state and local governments to ensure and demonstrate compliance with finance-related legal requirements.

GIVFD's funds can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds. As discussed below, GIVFD only presents governmental funds.



**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

**Governmental funds.** "Governmental funds" are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike the governmentwide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for "governmental funds" with similar information presented for "governmental activities" in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between "governmental fund" and "governmental activities".

GIVFD maintains only one fund (the General Fund). Information is presented in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund.

GIVFD is a "quasi-public" entity and is not required to adopt an annual budget. Thus, a budgetary comparison statement is not shown. The basic governmental fund financial statements can be found on pages 15 to 18 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 29 of this report.

**Other information.** Supplementary Information includes individual fund statements and schedules, which show additional detailed financial information on the General Fund, are found on pages 30 and 31. It also includes a Schedule of Compensation, Benefits and Payments to the Agency Head is found on pages 32.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

***GOVERNMENT-WIDE FINANCIAL ANALYSIS***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of GIVFD, assets exceeded liabilities by \$83,156 at December 31, 2021, a decrease of \$239,050 or 74.2 percent.

A large portion of GIVFD's net position (\$243,752 or 293.1 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, vehicles and firefighting equipment). GIVFD used these capital assets to provide fire protection services to citizens; consequently, these assets are not available for future spending.

Below is a comparison of GIVFD's Statement of Net Position for 2021 and 2020.

GRAND ISLE VOLUNTEER FIRE COMPANY NO.1

	Governmental Activities 2021	Governmental Activities 2020
Current and other assets	\$ 51,228	\$ 148,685
Non-depreciable capital assets		
Capital assets, net of	39,800	39,800
accumulated depreciation	203,952	327,436
Total assets	294,980	515,921
Other liabilities	211,824	193,715
Total liabilities	211,824	193,715
Net position:		
Investment in capital assets	243,752	367,236
Unrestricted deficit	(160,596)	(45,030)
Total net position	\$ 83,156	\$ 322,206

The balance of Unrestricted Net Position is a deficit of \$160,596 or 193.1 percent at December 31, 2021.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

**Governmental Activities.** During 2021, governmental activities decreased GIVFD's Net Position by \$239,050. Key elements of this decrease are shown below as compared to 2020.

GRAND ISLE VOLUNTEER FIRE COMPANY NO.1

	<u>Governmental Activities</u> <u>2021</u>	<u>Governmental Activities</u> <u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ -	\$ -
Operating grants and contributions	1,435,724	1,286,731
Capital grants and contributions	5,847	-
General revenues:		
Intergovernmental	9,495	9,469
Interest	87	273
Gain (loss) on disposal of assets	(69,241)	-
Miscellaneous	38,929	34,209
Total revenues	<u>\$ 1,420,841</u>	<u>\$ 1,330,682</u>
Expenses:		
Public Safety	<u>1,659,891</u>	<u>1,560,661</u>
Total expenses	<u>\$ 1,659,891</u>	<u>\$ 1,560,661</u>
Decrease in net position	(239,050)	(229,979)
Net position – beginning of year	<u>322,206</u>	<u>552,185</u>
Net position – end of year	<u>\$ 83,156</u>	<u>\$ 322,206</u>

Operating grants of \$416,732 represent the proceeds from a cooperative agreement with the Grand Isle Volunteer Emergency Services, Inc. (GIVES). Under the agreement with GIVES, all of the employees of GIVES were transferred to GIVFD back in 2007 and GIVFD now provides GIVES with administrative and operating support. GIVES reimburses GIVFD up to 85.0 percent of the proceeds of the money it receives from the Parish to operate an ambulance district within the Town boundaries. During 2021, GIVES paid GIVFD \$416,732. The monthly millage allocation received from the Parish did not increase in 2021.

Intergovernmental revenues come from the Parish of Jefferson and the State. The Parish levies an ad valorem tax in Grand Isle and remits a certain amount to GIVFD each month to provide funding to the Fire District. For 2021, the millage rate levied was 21.1 mills (the same as last year). This allocation came in at \$1,024,839 for 2021 and \$870,000 for 2020.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

Beginning in August of 2021, Jefferson Parish became paymaster for GIVFD. At this time, Jefferson Parish did not remit the monthly allocation. Actual expenses were paid by Jefferson using the levied ad valorem tax collections. Subsequent to December 31, 2021, Jefferson Parish is still paying actual expenses rather than remitting a monthly allocation.

The State also remits a fire insurance rebate to each fire company. For 2021 and 2020, this amount was \$9,495 and \$9,469, respectively.

**Revenues by Source - Governmental Activities**

Expenses totaled \$1,659,891, including current year depreciation of \$60,090. As a fire district, the only function GIVFD provides is the public safety function. These expenses of GIVFD were offset by program revenues (operating and capital contractual agreements) totaling \$1,441,571 (see above), leaving a net revenue (cost) to citizens of GIVFD of \$(239,050). The cost is primarily funded by the general revenues discussed above.

***FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS***

As noted earlier, GIVFD uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of GIVFD's "governmental funds" is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing GIVFD's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2021, GIVFD's governmental fund (i.e., the General Fund) reported a deficit in ending fund balance of \$160,596, a decrease of \$115,566 or 256.6 percent in comparison with the prior year. This change was caused by a number of factors, which are discussed below.

As noted above, the governmental funds include the general operating funds of GIVFD (i.e., the General Fund). Overall, revenues of the Governmental Funds have fluctuated over the past years. Because of the small size of the operating fund, operating and capital grants can create large swings in revenues when recognized.

The millage allocation from the Parish brought in \$1,024,839, which was \$154,839 more than last year. This increase resulted from the Parish allocating more money to GIVFD to match expenses as a result of hurricane Ida. The cooperative agreement with Grand Isle Volunteer Emergency Services (GIVES) to provide administrative support brought in \$416,732 in 2021.

Miscellaneous income totaled \$38,929 in 2021. This amount is primarily made up of dividends from the workman's compensation carrier (LWCC). The 2021 dividends totaled \$37,489 and was \$34,209 in 2020.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

The fund deficit of GIVFD's General fund decreased by \$115,566 during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$1,490,082, while expenditures totaled \$1,605,648.
- Revenues were made up of:
  - Intergovernmental revenues included \$9,495 of state fire insurance rebates.
  - Intergovernmental revenues also included an allocation from Jefferson Parish (i.e., Property taxes) totaling \$1,024,839, which is \$154,839 more than 2020.
  - Intergovernmental revenues also included \$416,732 from the cooperative agreement with the Grand Isle Volunteer Emergency Services to provide administrative support to the ambulance department.
  - Miscellaneous revenues total \$38,929, including \$37,489 of LWCC dividends.
- Expenditures totaled \$1,605,648, as follows:
  - Personnel and related costs totaled \$1,514,442 or 94.3 percent of expenditures- salaries amounted to \$1,116,160 and benefits totaled \$398,282. This category increased \$155,903 or 11.5 percent from 2020. Increase is attributed to increase in overtime due to hurricane Ida as well as an increase in health insurance premiums.
  - General and administrative costs totaled \$46,419 or 2.9 percent of expenditures- insurance was \$19,953, station groceries and supplies were \$3,663, bookkeeping and audit fees totaled \$6,250, electricity was \$6,247, office supplies totaled \$3,639, phones were \$4,111, cable and internet access totaled \$1,067, and alarm monitoring costs were \$1,019. In total, this category decreased \$53,701 or 53.6 percent from last year due to the financing of insurance premiums in 2021. Station groceries and supplies also decreased as a result of hurricane Ida.
  - Emergency training and supplies totaled \$5,704 or 0.4 percent of expenditures. This category included firefighting supplies of \$2,100, fire training materials of \$1,347, gas and oil for vehicles of \$2,257. In total, the category was down \$22,210, due mainly to a decrease in firefighting supplies.
  - Repairs and maintenance totaled \$32,326 or 2.0 percent of expenditures. Repairs to the fire trucks and boats came in at \$19,471, repairs to buildings amounted to \$10,997, and repairs to radios and equipment totaled \$1,858. In total, this category was up \$12,740, made up mostly of an increase in building repairs of \$5,779 and an increase in vehicle repairs of \$6,037.
  - Capital outlays totaled \$5,847 or 0.4 percent. This included the purchase of a new portable water system.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

***CAPITAL ASSET AND DEBT ADMINISTRATION***

**Capital Assets.** GIVFD's investment in capital assets for its governmental activities as of December 31, 2021 amounts to \$243,752 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, and vehicles. GIVFD's investment in capital assets decreased by \$123,484 or 33.6 percent this year.

Major capital asset events during the current fiscal year included the following:

- \$5,847 was spent the purchase of new portable water system.
- \$60,090 was recognized as depreciation expense.
- \$306,099 of vehicles were disposed of due to hurricane Ida.
- \$246,596 of buildings were disposed of due to hurricane Ida.

GRAND ISLE VOLUNTEER FIRE COMPANY NO.1  
 CAPITAL ASSETS  
 (NET OF DEPRECIATION)

	Governmental Activities 2021	Governmental Activities 2020
Land	\$ 39,800	\$ 39,800
Buildings	5,457	73,237
Furniture and fixtures	5,073	13,344
Vehicles and firefighting equipment	193,422	240,855
Capital-related debt	-	-
Net Investment	\$ 243,752	\$ 367,236

GIVFD recognized \$60,090 as depreciation expense in 2021.

Additional information on GIVFD's capital assets can be found in Note 4 Capital Assets on page 25.

***ECONOMIC FACTORS AND NEXT YEAR'S RATES***

- Jefferson Parish continues to be paymaster for GIVFD. No changes to the fire protection agreement between GIVFD and Jefferson Parish. Expenditures incurred by GIVFD to provide fire protection services to Grand Isle are expected to be paid by Jefferson Parish with ad valorem taxes collections levied for Grand Isle district.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2021**

***REQUESTS FOR INFORMATION***

This financial report is designed to provide a general overview of GIVFD's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Grand Isle Volunteer Fire Company, No.1, President, P.O. Box 550, Grand Isle, Louisiana 70358.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

Cash and cash equivalents	\$	39,009
Receivables		1,689
Prepaid expenses		10,530
Capital assets:		
Non-depreciable		39,800
Depreciable, net		203,952
		<hr/>
Total assets	\$	<u>294,980</u>

**LIABILITIES**

Accounts payable	\$	-
Accrued payroll liabilities		39,539
Due to other governments		2,900
Unearned revenue		169,385
Total liabilities		<hr/> <u>211,824</u>

**NET POSITION**

Investment in capital assets		243,752
Unrestricted deficit		<u>(160,596)</u>
Total net position		<hr/> <u>83,156</u>
		<hr/>
Total liabilities and net position	\$	<u>294,980</u>

The accompanying notes are an integral part of this financial statement.



**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2021**

	Program Revenues				Net (Expense)
Governmental Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
General government	\$ 1,659,891	\$ -	\$ 1,435,724	\$ 5,847	\$ (218,320)
General Revenues:					
Intergovernmental - state fire insurance rebate					9,495
Interest income					87
Gain (loss) on disposal of assets					(69,241)
Miscellaneous					38,929
Total general revenues					(20,730)
Change in net position					(239,050)
Net position - beginning					322,206
Net position - ending					\$ 83,156

The accompanying notes are an integral part of this financial statement.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**BALANCE SHEET - GOVERNMENTAL FUND**  
**DECEMBER 31, 2021**

**ASSETS**

Cash and cash equivalents	\$ 39,009
Receivables	1,689
Prepaid expenses	<u>10,530</u>
 TOTAL ASSETS	 <u>\$ 51,228</u>

**LIABILITIES**

Accounts payable	\$ -
Accrued payroll liabilities	39,539
Due to other governments	2,900
Unearned revenue	<u>169,385</u>
TOTAL LIABILITIES	<u>211,824</u>

**FUND DEFICIT**

Nonspendable	10,530
Unassigned	<u>(171,126)</u>
TOTAL FUND DEFICIT	<u>(160,596)</u>
 TOTAL LIABILITIES AND FUND DEFICIT	 <u>\$ 51,228</u>

The accompanying notes are an integral part of this financial statement.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

Total Fund Deficit at December 31, 2021 - Governmental Fund \$ (160,596)

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

Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental fund.

Cost of capital assets at December 31, 2021	\$ 1,044,707	
Less: accumulated depreciation as of December 31, 2021:	<u>(800,955)</u>	<u>243,752</u>

Total Net Position at December 31, 2021 \$ 83,156

The accompanying notes are an integral part of this financial statement.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND DEFICIT - GOVERNMENTAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

**REVENUES**

Intergovernmental	\$ 1,451,066
Interest	87
Miscellaneous	38,929
Total revenues	1,490,082

**EXPENDITURES**

Public Safety	
Personnel and related costs	1,514,442
General and administrative costs	46,419
Emergency training and supplies	5,704
Repairs and maintenance	32,326
Miscellaneous	910
Capital outlay	5,847
Total expenditures	1,605,648

Deficiency of revenues over expenditures	(115,566)
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FUND DEFICIT AT BEGINNING OF YEAR	(45,030)
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FUND DEFICIT AT END OF YEAR	\$ (160,596)
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The accompanying notes are an integral part of this financial statement.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**RECONCILIATION OF GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND DEFICIT TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

Net change in fund deficit for the year ended December 31, 2021 \$ (115,566)

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

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

Capital outlay capitalized	\$ 5,847	
Depreciation expense	<u>(60,090)</u>	(54,243)

The change in net position differs from the change in fund deficit by the difference in cost, including salvage value, and accumulated depreciation of disposed assets. (69,241)

Total Change in Net Position for year ended December 31, 2021 \$ (239,050)

The accompanying notes are an integral part of this financial statement.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Grand Isle Fire Company No. 1 (GIVFD), a non-profit entity d/b/a Fire Protection District No. 9 of Jefferson Parish, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units under the legal premise that GIVFD is a "quasi-public" corporation. Quasi-public corporations are non-profit or private companies who are created to perform a public service and which receive the majority of their funding from public funds (i.e., taxes, grants, etc.). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of GIVFD's accounting policies are described below.

Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Fire District No. 9 of Jefferson Parish (the "District") was created by Parish Ordinance to provide fire protection services to the citizens of the Town of Grand Isle and the surrounding area. The District is currently funded by a 20 mill ad valorem tax levied by the District via the Parish Council and is governed by the same Council that governs the Parish. As such, the District is reported as a component unit within the Parish's financial statements.

Under a cooperative endeavor agreement, the daily operations of the District are contracted out to Grand Isle Volunteer Fire Company No. 1 (GIVFD). GIVFD was incorporated on April 25, 1969 as a non-profit service corporation under Section 501 (c) (3) of the Internal Revenue Code. GIVFD has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provide in Section 170 (b) (1) (A) (vi). GIVFD is governed by a President and a 5 member Board of Directors which are elected by the membership. The accompanying statements report transactions related only to those of GIVFD.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of GIVFD. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Because of the nature of GIVFD's operations, GIVFD reports only governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions and other contractual agreements that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Funds are used by GIVFD 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. The funds of GIVFD are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the general government not accounted for in some other fund.

GIVFD reports the following major governmental funds:

The *General Fund* is the general operating fund of GIVFD. It is used to account for all financial resources and expenditures. It includes the activity of the "private" account, as well as the "public funds" (i.e., tax allocation funds) account.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using a current financial resources measurement focus and 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 be used to pay liabilities of the current period. Intergovernmental revenues received from the Parish in connection with the cooperative endeavor agreement are recognized in the year to be benefitted. All other service charges and intergovernmental revenues are recognized as received. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recognized as expenditures only when payment is due.

Budgets

As a quasi-public corporation, GIVFD is not required to adopt a budget; therefore, a budget to actual statement is not presented in the accompanying financial statements.

Assets, Liabilities, and Net Position or Fund Equity

*A. Cash and Cash Equivalents*

For reporting purposes, cash and cash equivalents includes amounts in demand deposits. This includes the balances in the "private" account, as well as the "public funds" account.

*B. Inventories*

The cost of materials and supplies acquired by GIVFD are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at December 31, 2021 would not be material to the financial statements.



**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assets, Liabilities, and Net Position or Fund Equity (continued)

*C. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities' column in the government-wide financial statements. Capital assets are defined by GIVFD as assets with an initial, individual cost of more than \$250 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress.

Property, plant, equipment, and infrastructure are depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

<u>Asset Category</u>	<u>Useful Life in Years</u>
Buildings	20
Furniture and fixtures	3 to 5
Vehicles and firefighting equipment	5 to 10
Infrastructure (if any)	40

*D. Net Position in the Government-wide Financial Statements*

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

- Net investment in capital assets – This component 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 capital assets.
- Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assets, Liabilities, and Net Position or Fund Equity (continued)

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

*E. Fund Equity of Fund Financial Statements*

- Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted – represents balances where constraints have been established by parties outside the Assessor's office or imposed by law through constitutional provisions or enabling legislation.
- Committed – represents balances that can be used only for specific purposes pursuant to constraints imposed by formal action of the Assessor.
- Assigned – represents balances that are constrained by the Assessor's intent to be used for specific purposes but are neither restricted nor committed.
- Unassigned – represents balances for which there are no constraints.

While GIVFD has not established a policy for its use of unrestricted fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Donated Services, Facilities, or Supplies

No amounts are reflected in the financial statements for donated services.

Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires GIVFD to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures. Actual results could differ from the estimates that were used.

Subsequent Events

GIVFD has evaluated subsequent events through December 31, 2022, the date the financial statements were available to be issued.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Expenses Paid by Others

The full-time firefighters of GIVFD that meet certain qualifications, receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2202. The amount of pay received as these supplemental state funds are paid directly to the firefighters and are not reflected in these statements.

Reclassifications

Certain amounts in the December 31, 2021 financial statements have been reclassified to conform to the current year presentation. The reclassification has no effect on the change in net position for 2020.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Cooperative Endeavor Agreement

As a quasi-public corporation, GIVFD is not subject to all of the general statutes governing political subdivisions and other governments within the State of Louisiana. Instead, GIVFD must comply with the terms and conditions of the cooperative endeavor agreement it has with the Parish of Jefferson. GIVFD and the Parish of Jefferson signed a new ten (10) year agreement in March 2019, with an effective date of December 1, 2017 through December 1, 2027. As of December 31, 2021, GIVFD was not in compliance with all of the conditions of the agreement.

Deficits in Fund Balance/Net Position

The Governmental Activities Funds ended the year with total net position of \$83,156; however, this number includes a deficit in the unrestricted net position of \$160,596. This deficit also appeared in the fund balance of the General Fund at year end. GIVFD is funded with millage money collected by the Parish of Jefferson. The Parish levies the tax, collects the money and then remits 1/12th of the estimated budget to GIVFD each month. Beginning in August of 2021, Jefferson Parish became paymaster for GIVFD. At this time, Jefferson Parish did not remit the monthly allocation. Actual expenses were paid by Jefferson using the levied ad valorem tax collections. Subsequent to December 31, 2021, Jefferson Parish is still paying actual expenses rather than remitting a monthly allocation. No changes to this arrangement are noted through the date of this report.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Deficit and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund deficit includes a reconciliation between net changes in fund deficit – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” Detail of this reconciliation can be found on page 18.

**NOTE 4 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

Deposits and Investments

The carrying amount of GIVFD's deposits at December 31, 2021 was \$39,009 and the bank balance was \$40,353. \$40,353 of the bank balances were covered by Federal Deposit Insurance Corporation (FDIC).

Receivables

A recap of total receivables due at year end is as follows:

<u>Description</u>	<u>Receivable</u>
FEMA – Public Assistance Grants - Ike	\$ 1,689
Total Receivable	<u>\$ 1,689</u>

As discussed in Note 7 – Hurricanes Katrina and Rita, GIVFD has open claims with FEMA for disaster assistance related to Hurricanes Katrina, Rita, Gustav, Ike, and Isaac. At December 31, 2021, \$1,689 is reflected as receivable on these claims.

GIVFD considers all of its receivables as collectible, thus, no allowance for doubtful accounts has been established. The Governor's Office of Homeland Security (GOSEP) is responsible for processing these disaster claims. GIVFD is working with GOHSEP on closing these claims out and collecting whatever funds will ultimately be allowed.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

Capital Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

Governmental Activities:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Capital assets, not being depreciated				
Land	\$ 39,800	\$ -	\$ -	\$ 39,800
Total capital assets, not being depreciated	<u>39,800</u>	<u>-</u>	<u>-</u>	<u>39,800</u>
Capital assets, being depreciated				
Buildings and improvements	256,596	5,847	(246,596)	15,847
Furniture and fixtures	149,486	-	-	149,486
Vehicle and firefighting equipment	1,145,673	-	(306,099)	839,574
Total capital assets, being depreciated	<u>1,551,755</u>	<u>5,847</u>	<u>(552,695)</u>	<u>1,004,907</u>
Less accumulated depreciation				
Buildings and improvements	(183,359)	(8,610)	(181,579)	(10,390)
Furniture and fixtures	(136,142)	(8,271)	-	(144,413)
Vehicle and firefighting equipment	(904,818)	(43,209)	(301,875)	(646,152)
Total accumulated depreciation	<u>(1,224,319)</u>	<u>(60,090)</u>	<u>(483,454)</u>	<u>(800,955)</u>
Capital assets, being depreciated, net	<u>327,436</u>	<u>(54,243)</u>	<u>(69,241)</u>	<u>203,952</u>
Governmental activities capital assets, net	<u>\$ 367,236</u>	<u>\$ (54,243)</u>	<u>\$ (69,241)</u>	<u>\$ 243,752</u>

For the year ended December 31, 2021, depreciation expense was \$60,090.

Intergovernmental Contracted Services

During 2007, GIVFD entered into a cooperative agreement with the Grand Isle Volunteer Emergency Services, Inc. (GIVES), whereby GIVFD would provide accounting and administrative services and GIVES would reimburse it for the costs incurred. In addition, in order to save money and consolidate operations, the employees of GIVES were transferred to GIVFD in 2007. Now, GIVFD employees are cross-trained and are responsible for responding to both fires and emergencies. Again, GIVES is required to reimburse GIVFD for costs incurred. During 2017, this agreement was renewed and calls for GIVES to remit up to 85 percent of its millage allocation to GIVFD. During 2021, GIVES made payments totaling \$416,732 to GIVFD under this arrangement.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

Intergovernmental Contracted Services (continued)

GIVES relies upon GIVFD for labor (see above). Additionally, in the past, the Grand Isle Volunteer Fire Department (GIVFD) provided GIVES with the use of office space and some equipment at no cost; however, in 2021, GIVFD billed 50 percent of its utilities to GIVES, for a total cost to GIVES of \$12,091.

**NOTE 5 – ECONOMIC DEPENDENCE**

The Parish Council is the official governing body of Fire District No.9 of Jefferson Parish. To fund the operations of the district, the Parish levies an ad valorem tax each year. The Parish and GIVFD have entered into a cooperative endeavor agreement whereby GIVFD is responsible for the day-to-day operations of the District. In return, the Parish remits to GIVFD, on a monthly basis, 1/12th of the currently budgeted ad valorem tax revenues expected to be collected. GIVFD and the Parish of Jefferson signed a new ten (10) year agreement in March 2018, with an effective date of December 1, 2017 through December 1, 2027.

In November 2018, the public approved to renew the ad valorem tax millage at 21.10 for the Fire District No.9 for an additional 10 years. As such, 21.1 mills were levied on the 2020 tax rolls. The remittance of these taxes during 2021 totaled \$1,024,839. The base revenues from this contract account for a substantial portion (68.8 percent) of GIVFD's total revenues. GIVFD also received an additional \$9,495 in state fire insurance rebates from the Parish in 2021.

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

Risk Management

GIVFD is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical malpractice; and natural disasters. To protect against these risks of loss, the District purchases various types of insurance from commercial carriers.

Under these policies, general liability and medical malpractice coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 in the aggregate); automobile liability coverage is provided for up to \$1,000,000; and worker's compensation is provided at the statutory limits of \$100,000/500,000/100,000. In each policy, GIVFD is responsible for the deductible.

Litigation

There is no litigation pending against GIVFD at December 31, 2021.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 – OTHER INFORMATION**

Retirement

GIVFD's employees are members of the Social Security System. In addition to the employee contribution withheld at 7.65 percent, GIVFD contributes 7.65 percent to the System. Aggregate pension costs for the year totaled \$92,016. GIVFD does not guarantee the benefits granted by the Social Security System.

Expenses Paid by Others

The full-time firefighters of GIVFD who meet certain requirements receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2002. The State pays this supplemental pay directly to the firefighters; therefore, the expense does not pass through these financial statements. State supplemental payments made to GIVFD employees totaled \$58,000 for 2021 per GIVFD's books. The supplemental pay is included in the taxable income of the firefighters so that federal and state taxes may be applied.

Hurricanes Katrina and Rita

On August 29, 2005, Hurricane Katrina struck the area and Hurricane Rita struck on September II, 2005. The Grand Isle area saw severe flooding and wind damage. GIVFD's main station was destroyed and the two substations received damage. In addition, emergency protective measures were performed by GIVFD personnel.

Net claims under Katrina totaling \$358,320 have been filed with FEMA. After the local share and administrative fees are added in, FEMA's share is \$365,066. Through December 31, 2021, payments totaling \$405,330 have been received. The difference of \$40,264 has been recorded as unearned grant revenues at year end. This deferral resulted from FEMA reclassifying some of the costs claimed under Katrina to Hurricane Ike, applying estimated insurance, and disallowing some claims. Current year revenues are \$0.

Net claims under Rita totaling \$60,034 have been filed for labor and equipment. After disallowance of some claims and adding in the local share and administrative fees, FEMA's share is \$17,049. To date, payments totaling \$55,652 has been received. The difference of \$38,603 is included in unearned grant revenues at year end. Current revenues are \$0. FEMA/GOHSEP continues working towards closing these two disasters out.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 – OTHER INFORMATION (CONTINUED)**

Hurricanes Gustav and Ike

On August 29, 2008, Hurricane Gustav threatened the area and caused the evacuation of the Metropolitan New Orleans area, including Grand Isle. The Grand Isle area saw severe flooding and some wind damage. The Isle was evacuated for several weeks until utility service could be reestablished. Some damage was incurred and some emergency work was performed by GIVFD. Claims totaling \$241,754 have been filed with FEMA and \$1,254 have been disallowed and returned. After the local share and administrative fees are accounting for, FEMA's share is \$201,061. Through December 31, 2021, payments totaling \$254,139 have been received. The difference of \$53,078 is shown as unearned grant revenues at year end. Current revenues are \$0.

On September 12, 2008, Hurricane Ike passed just off of the coastline of the State of Louisiana and hit Texas. While the Grand Isle area was spared a direct hit, the storm surge from the hurricane did cause some tidal flooding. Some damage was incurred and some emergency work was performed by GIVFD. Claims totaling \$62,715 have been filed with FEMA. After applying estimated insurance and adding in the local share and administrative fees, FEMA's share is \$50,315. Through December 31, 2021, payments totaling \$86,067 have been received. The difference of \$35,752 has been recorded as a receivable of \$1,689 and as \$37,441 in unearned grant revenues at year end. Current revenues are \$0. FEMA/GOHSEP continues working towards closing these two disasters out.

Hurricane Ida

In August of 2021, Grand Isle incurred a direct hit from Major Hurricane Ida and sustained significant damage. GIVFD is working with FEMA to apply for assistance related to additional expenditures incurred as a result of this storm. As of the date of the report, no funds have been obligated to GIVFD.



**OTHER SUPPLEMENTARY INFORMATION – PART IV**

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**GOVERNMENTAL FUNDS - GENERAL FUND**  
**SCHEDULE OF REVENUES - ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Intergovernmental		
State		
Fire Insurance Rebate	\$	9,495
Local		
Jefferson Parish Contract:		
Direct payments - ad valorem taxes - operations		1,018,992
Direct payments - ad valorem taxes - equipment		5,847
Grand Isle Volunteer Emergency Services:		
Cooperative agreement		416,732
		<u>1,451,066</u>
Donations and gifts		
Other donations		1,440
		<u>1,440</u>
Interest		87
		<u>87</u>
Miscellaneous		37,489
		<u>37,489</u>
TOTAL REVENUES	\$	<u><u>1,490,082</u></u>

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**GOVERNMENTAL FUNDS - GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Public Safety**

Current

Personnel and related costs	
Salaries - regular	\$ 459,684
Salaries - medics	297,447
Salaries - overtime	359,029
Payroll taxes	92,016
Retirement	1,813
Health insurance	207,915
Unemployment insurance	13,872
Workmans' compensation	82,666
	1,514,442
General and administrative costs	
Alarm monitoring	1,019
Bank charges	78
Bookkeeping and auditing	6,250
Office and computer supplies	3,639
Postage	214
Telephones	4,111
Utilities - electricity and water	6,247
Utilities - cable and internet	1,067
Insurance - auto/general	19,953
Sanitation	178
Groceries and supplies - station	3,663
	46,419
Emergency training and supplies	
Firefighting supplies	2,100
Gas and oil	2,257
Training and educational	1,347
	5,704
Repairs and maintenance	
Repairs and maintenance - buildings	10,997
Repairs and maintenance - equipment and radios	1,858
Repairs and maintenance - vehicles and boats	19,471
	32,326
Miscellaneous	
	910
Capital outlay	
Equipment	5,847
	5,847
TOTAL EXPENDITURES	\$ 1,605,648

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**

**SCHEDULE OF COMPENSATION, BENEFITS**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**YEAR ENDED DECEMBER 31, 2021**

**Agency Head: Joel Bradberry, Fire Chief**

			<b>Totals</b>
Salary	\$	147,888	
State Supplemental Pay		5,000	<b>(1)</b>
Benefits-Insurance		25,704	
Benefits-Retirement		8,853	<b>(2)</b>
Car Allowance		-	
Vehicle Provided by Agency		-	
Per Diem		-	
Reimbursements		-	
Travel		-	
Registration Fees		-	
Conference Travel		-	
Continuing Professional Education Fees		-	
Special Meals		-	
		<hr style="border-top: 1px solid black;"/>	
	\$	187,445	
		<hr style="border-top: 1px solid black;"/>	

**(1)** State Supplemental Pay is paid directly to the employee by the State of Louisiana. It is included in taxable wages to the employee by GIVFD so that federal and state payroll taxes can be paid on these wages.

**(2)** GIVFD employees do not participate in any qualified state pension plans. Instead, they pay social security and medicare taxes. This amount represents the amount of social security taxes paid by the employer (GIVFD) for the agency head.



**INDEPENDENT AUDITORS' 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 President and Board of Directors  
Grand Isle Volunteer Fire Company No. 1 (GIVFD)  
Grand Isle, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Grand Isle Volunteer Fire Company No.1 (GIVFD), a non-profit entity d/b/a Fire Protection District No.9 of Jefferson Parish, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise GIVFD's basic financial statements and have issued my report thereon dated December 31, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered GIVFD's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GIVFD's internal control. Accordingly, we do not express an opinion on the effectiveness of GIVFD's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-001, 2021-002, 2021-003, and 2021-004 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-005, 2021-006, and 2021-007 to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether GIVFD's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, we do not express such an opinion.

The results of my tests disclosed one instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses included in item 2021-007.

### **GIVFD's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the GIVFD's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. GIVFD's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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

*Diez, Dupuy & Ruiz*

December 31, 2022  
Gonzales, Louisiana

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**A. SECTION I- SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of GIVFD was prepared in accordance with GAAP.
2. Three significant deficiencies disclosed during the audit of the financial statements are reported in the Independent Auditors' 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*. Four material weaknesses are reported.
3. One instance of noncompliance material to the financial statements of GIVFD, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

**B. SECTION II- FINANCIAL STATEMENT FINDINGS**

**INTERNAL CONTROLS**

**Material Weaknesses**

**2021-001 Inadequate Segregation of Duties**

Criteria: Effective internal controls are key to mitigating risk of fraud in cash receipts, non-payroll cash disbursements, payroll transactions and financial reporting cycles.

Condition: There is a lack of segregation of duties within GIVFD's accounting department. The GIVFD's Assistant Fire Chief and Logistics Chief were charged with most of the responsibilities relating to the cash receipts, non-payroll cash disbursements, payroll transactions and financial reporting cycles, including authorization to approve transactions and sign checks.

Cause: GIVFD does not have the funds to provide enough personnel to adequately segregate the duties.

Effect: A lack of segregation of duties does not provide effective internal controls to mitigate the risk of potential fraud and/or misappropriation of public funds.

Recommendation: Employing additional controls may not be cost beneficial, however, the Board should remain cognizant of the lack of segregation of duties and implement policies and procedures to address areas where duties overlap.

Management's corrective action plan: We are aware of the condition, however, at this point we are not in the financial position of addressing the problem. The Board is aware of the condition and will continue to monitor the financial activity of GIVFD in a timely manner. The Board Treasurer is now overseeing the payroll, bank accounts reconciliation, and approving all payable before being paid. GIVFD has hired an employee with financial reporting responsibilities to segregate duties to the extent possible with available resources. GIVFD is currently preparing written policies and procedures to address the operations of the fire department for implementation. A new board of directors has been assembled subsequent to the current fiscal year and intends to provide additional oversight of the financial reporting cycles.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Material Weaknesses**

**2021-002 Payroll and Personnel**

Criteria: Policies and procedures over payroll should establish how the entity documents and maintains authorized pay rates for its employees, payroll processing procedures to determine the pay period and when checks are executed to pay employees, as well as procedures to ensure that requirements to report and remit federal and state tax withholding are performed timely.

Condition: GIVFD does not document or maintain records to support pay rates used to process paychecks authorized by the Fire Chief and/or GIVFD's Board of Directors. It was also noted on more than one occasion that a paycheck was executed prior to the end of pay period. In addition, Louisiana state income tax withholdings were not remitted timely.

Cause: GIVFD does not have adequate policies or procedures in place to govern its payroll process, including payroll tax reporting and remittance requirements, as well as maintenance of personnel files.

Effect: The entity is unable to provide for an effective review of payroll transactions without having adequate support of authorized pay rates. In addition, payment for services not yet provided by employees could be violation of LA Constitution, Article VII, Section 14(A). The failure to report and/or remit payroll taxes can lead GIVFD to incur penalty and interest on unpaid tax due balances.

Recommendation: GIVFD should establish policies and procedures to govern its payroll process to ensure employee records are complete, payroll is paid with authorized payrates, for time worked, documented and approved by authorized personnel.

Management's corrective action plan: GIVFD has hired an employee with financial reporting responsibilities to segregate duties to the extent possible with available resources. GIVFD is currently having all timesheets signed by employee, fire chief, and a Board member for approval before being entered in the payroll system. A new board of directors has been assembled subsequent to the current fiscal year and intends to provide additional oversight of the payroll process.

**2021-003 Bank Reconciliations**

Criteria: Internal controls should be in place to provide for the timely reconciliation of all cash account balances and to ensure all account activity is properly recorded on the GIVFD's general ledger.

Condition: The GIVFD did not reconcile five monthly bank statements for the fiscal year ended December 31, 2021 in a timely manner.

Cause: Internal controls are not in place to ensure the timely reconciliation of all cash accounts.

Effect: Failure to reconcile all cash accounts in a timely manner could lead to missing cash and incomplete financial statements.



**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Material Weaknesses**

**2021-003 Bank Reconciliations (continued)**

Recommendation: All cash balances as reported on the GIVFD's general ledger should be reconciled to appropriate supporting documentation on a monthly basis.

Management's corrective action plan: Subsequent to December 31, 2021, GIFVD reestablished a Board of Directors in accordance with the entity's By-Laws. GIFVD is currently having the Treasurer of the Board open and review all bank statements, and oversees the bank reconciliation with the Administrative Assistant. This will also include certain responsibilities of the board of directors. Management feels that they will have the resources to resolve this finding.

**2021-004 Lack of Financial Oversight**

Criteria: Internal Controls should be in place to provide for the timely review of monthly financial statements, bank reconciliations, payroll transactions and other accounting responsibilities to ensure accurate financial reporting.

Condition: There was no financial oversight of GIVFD's financial statements and/or other financial information on a timely basis during the fiscal year.

Cause: As noted in finding 2021-007, GIVFD failed to maintain a Board of Directors in accordance with its By-Laws.

Effect: Financial statements were not accurate and material adjusting entries had to be made during the audit to balance accounts to the general ledger.

Recommendation: GIFVD should develop and implement policies and procedures to ensure that there is adequate oversight over the financial statements and other financial information.

Management's corrective action plan: Subsequent to December 31, 2021, GIFVD reestablished a Board of Directors in accordance with the entity's By-Laws. GIFVD is currently preparing written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. This will also include certain responsibilities of the board of directors. Management feels that they will be able to provide better financial oversight and will have the resources to resolve this finding.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)**  
**D/B/A**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-005 Preparation of Financial Statements by Auditor**

Criteria: Internal controls over financial reporting are those policies and procedures that exist to assure that an entity's financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

Condition: GIVFD does not have controls or resources in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). As is common in small organizations, GIVFD has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles (GAAP).

Cause: Statement of Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Effect: The deficiency in internal control over financial reporting of GIVFD meets the definition of a significant deficiency as noted above.

Recommendation: As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, we do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary.

Management's corrective action plan: GIVFD's staff is familiar with the day-to-day accounting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time, however GIVFD did hire a new administrative assistant with an accounting background to be able to help assist with preparation all financials.

**2021-006 Credit Cards**

Criteria: Policies and procedures should be established to govern the security, administration and management for the use of credit cards.

Condition: It was noted in the current year that there were three credit card charges to purchase personal items totaling \$614.08.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-006 Credit Cards (continued)**

Cause: GIVFD lacks policies to govern the security, administration and management for the use of its credit cards.

Effect: The lack of such policies and monitoring of credit cards provided for the misuse of the entity's credit card and violation of LA Constitution, Article VII, Section 14(A).

Recommendation: GIVFD should establish policies and procedures to govern the security, administration and management for the use of credit cards.

Management's corrective action plan: GIVFD has hired an employee with financial reporting responsibilities to segregate duties to the extent possible with available resources. GIVFD has currently prepared written policies and procedures to address the operations of the fire department for implementation, including credit cards. This matter has been reported to the Jefferson Parish District Attorney and a response has not been received as of the date of this report.

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report**

The Office of Inspector General, Jefferson Parish issued a Public Audit Report on February 17, 2022 relating to an audit performed by its office. The JPOIG audit objectives were to validate the status of the GIVFC as a non-profit entity incorporated under federal and state law; determine whether the entity's governance through its Board and its management is adequate to prevent fraud, waste, or abuse from occurring with public funds in its purview; to determine the adequacy of internal controls to ensure that public funds received are spent in accordance with all governing laws and regulations and the fire district millage restrictions; and to assess the fire company's compliance with the current Jefferson Parish fire protection agreement. The report noted several areas of concern and provided recommendations for corrective actions.

The unresolved matters outlined in the report relate to the following:

- Governance;
- Cash in bank;
- Payroll and related expenses;
- Operating expenditures-exclusive of payroll and fuel expenditures;
- Fuel expenditures;
- Equipment and fixed assets; and
- Compliance with applicable laws and regulations and the Parish agreement.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

The report cited several areas as follows:

*Governance*

**Finding #1: The GIVFC Failed to Govern and Maintain By-Laws**

Condition: Several Board members interviewed, past and present, had a limited understanding or awareness of the nature of the GIVFC as a corporation. Several members interviewed lacked an understanding of their roles and responsibilities as a Board member, and some individuals believed they answered to the employees of the GIVFC. None of the Board members interviewed, past or present, had a clear recollection of who authored governing documents, to include the by-laws, or any amendments, despite signing the documents. The GIVFC failed to maintain records in accordance with standard accounting guidelines.

Criteria: The GIVFC Articles of Incorporation, Section VII, provides that the powers of the corporation shall be exercised by a Board of Directors, which shall be elected annually by members in good standing. The Board of Directors shall be composed of five members, including the President, Vice-President, Secretary, and Treasurer.

The 03/13/2018 Fire Protection Agreement provides that the GIVFC shall hire, train, compensate, and equip firefighters in accordance with the GIVFC by-laws, policies, and directives.

The Fire Protection Agreement also provides that the GIVFC agrees to maintain adequate records, and retain such records in accordance with standard accounting guidelines.

Cause: As early as 06/2016, the GIVFC failed to maintain and achieve a qualified Board of Directors composed of five members who were duly elected and who could maintain by-laws in accordance with their Articles of Incorporation.

Effect: Without the presence of a duly elected Board of Directors to govern the entity, the Parish contracted with an entity that was unable to provide the necessary oversight to prevent the occurrence of fraud, waste, and abuse over Parish funds.

Recommendation: The JPOIG recommends that the Parish Council adopt an ordinance establishing a West Bank fire protection district, the boundaries of which are conterminous with the Fire Protection No. 9, but which boundaries may later be amended. In connection with the adopting the ordinance, Parish Council should adopt related ordinances to support the employment of fire protection employees of the newly created West Bank fire protection district.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

Management's corrective action plan: Subsequent to December 31, 2021, GIFVD reestablished a Board of Directors in accordance with the entity's By-Laws. GIFVD has prepared written policies and procedures to address the current operations of the fire department for implementation. This will also include certain responsibilities of the board of directors.

*Cash in Bank*

**Finding #2: Cash in Bank Unsecured**

Condition: Public funds paid by the Parish to the GIVFC and held in bank accounts are unsecure.

Criteria: The GIVFC Articles of Incorporation, Section VII, provides that the powers of the corporation shall be exercised by a Board of Directors, which shall be elected annually by members in good standing. The Board shall be composed of five (5) members in good standing. Article IX provides that a quorum for meetings of the Board of Directors, and of the members, be established in the by-laws of the corporation. By-laws, adopted 11/07/2000 and last revised 04/07/2011, provide at Article VI, Section 3 that five (5) members in good standing shall constitute a quorum at the Board meeting. Then, By-laws, dated 06/2016, provide that a quorum of the board is three (3) Directors.

GAO Standards for Internal Control, known as the Green Book, is a recognized authoritative source used by government finance professionals. Section 1, OV1.03 states:

Internal control comprises the plans, methods, policies and procedures used to fulfill, the mission, strategic plan, goals and objectives of the entity. Internal controls serve as first line of defense in safeguarding assets.

Cause: The GIVFC failed to maintain a qualified Board of Directors who provided control and oversight of the GIVFC cash. No current members of the Board are signatories and have access to the cash in bank. Current signatories are the Fire Chief, Assistant Fire Chief, and Logistics Chief and a past Board president. There is an inadequate number of qualified members of the Board to constitute a quorum and to act on behalf of the GIVFC.

Effect: As of 4/30/2021, GIVFC maintained a total of \$113,860 in their bank accounts. Given the current dysfunction of the GIVFC, the available funds and bank accounts create the potential for fraud, waste, and abuse to occur and remain undetected.

Recommendation: Parish Administration Pretermittting a West Bank fire protection district and/or in the interim, the Parish Administration, through the Office of Fire Services, should exercise oversight as necessary over cash to ensure public funds are properly expended and safeguarded.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

**Finding #2: Cash in Bank Unsecured (continued)**

Management's corrective action plan: As of August 2021, Jefferson Parish Council began its role as paymaster where they paid all payroll and non-payroll transactions on behalf of GIVFD. Any ACH transactions already in place by GIVFD was kept as is and Jefferson Parish direct deposited exact funds into GIVFD's bank account to cover the transactions. All disbursement transactions are approved by GIVFD, then approved invoices and/or supporting documentation is submitted to Jefferson Parish for second approval and payment. Jefferson Parish is still paymaster for GIVFD as of the date of this audit report. Subsequent to December 31, 2021, GIVFD reestablished a Board of Directors in accordance with the entity's By-Laws. GIVFD has currently prepared written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. This will also include certain responsibilities of the board of directors. Management feels that risk of unsecure cash is reduced and will have the resources to resolve this finding.

***Payroll and Related Expenses***

**Finding #3: Abuse of Overtime**

Condition: The JPOIG identified \$281,047 in overtime payments during the period audited, resulting in an increase in payroll costs of 35%. During the audit period, a total of \$163,454 was paid to the four (4) employees working a 7-day work period: the Fire Chief, Assistant Fire Chief, Logistics Chief, and Training Officer. Two of the employees, the Logistics Chief and the Assistant Fire Chief, were paid overtime in excess of \$87,938 and \$48,900 respectively. Separately, the JPOIG identified that a total of \$117,593 was paid to the nine (9) employees working a 15-day work period (firefighters/EMS employees).

Criteria: Fair Labor Standards Act (FLSA), Section 7(k) distinguishes employees engaged in fire protection. These employees are paid overtime on a "work period" basis. An employee working a 7-day work period is required to receive overtime after working a total number of 53 hours in their work period. An employee working a 15-day work period is required to receive overtime after working a total number of 114 hours in their work period.

Cause: Currently, the GIVFC is paying overtime to their 7-day work period employees after 40 hours. The Fire Chief was unaware of the extent and amount of overtime costs. The Assistant Fire Chief and the Logistics Chief were allowed to pay out overtime as they both processed payroll.

Effect: The lack of operational control of overtime resulted in an unnecessary increase in payroll cost of approximately 35% or \$281,047. This includes \$263,215 in questioned costs and \$17,832 in disallowed costs.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

**Finding #3: Abuse of Overtime (continued)**

Recommendation: Parish Administration Pretermitted a West Bank fire protection district and/or in the interim, the Parish Administration, through the Office of Fire Services, should exercise oversight as necessary of overtime to ensure public funds are properly expended and safeguarded.

The disallowed costs represent the difference in overtime pay associated with paying overtime after 40 hours instead of 53 hours for 7-day work period employees.

Management's corrective action plan: As of August 2021, Jefferson Parish Council began its role as paymaster where they paid all payroll and non-payroll transactions on behalf of GIVFD. Any ACH transactions already in place by GIVFD was kept as is and Jefferson Parish direct deposited exact funds into GIVFD's bank account to cover the transactions. All payroll transactions are approved by GIVFD, then approved timesheets and/or other supporting documentation is submitted to Jefferson Parish for additional approval and payment. Jefferson Parish is still paymaster for GIVFD as of the date of this audit report. Subsequent to December 31, 2021, GIVFD reestablished a Board of Directors in accordance with the entity's By-Laws. GIVFD has current new written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. This will also include certain responsibilities of the board of directors. Management feels that exposure to abuse of overtime is reduced, if not eliminated, and will have the resources to resolve this finding.

**Finding #4: Abuse of Annual Leave**

Condition: The JPOIG noted 60 instances where employees received a check for annual leave. The paychecks were labeled as "leave cash outs." There are no written policies and procedures detailing this process, nor are there any limitations on how much leave time could be converted to cash. The JPOIG noted that it became common practice for some employees to cash out their leave time in large quantities within the first 3-6 months of the year. The questioned costs related to those instances totaled \$137,360. Additionally, the JPOIG noted the following related to vacation leave earned by employees which cost the entity an additional \$42,042 in payroll costs:

1. Four (4) employees received more vacation time than they lawfully earned in 2021, which amounted to leave over accrual of \$23,536.
2. One (1) employee received less vacation time than they lawfully earned in 2021, which amounted to leave under accrual of \$2,160.
3. Two (2) employees received more vacation time than they legally earned in 2020, which amounted to \$17,280.
4. One (1) employee received less vacation time than they lawfully earned in 2020, which amounted to \$1,800.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

**Finding #4: Abuse of Annual Leave (continued)**

Three employees, the Asst. Fire Chief, The Logistics Chief, and a Firefighter, also received payment for vacation days in 2020 above the leave that was provided totaling \$5,186.

Criteria: State law provides that fire protection personnel “shall be entitled to an annual vacation of eighteen (18) days with full pay. This vacation period shall be increased one day for each year if service over ten (10) years, up to the maximum vacation period of thirty (30) days.”

Cause: The Fire Chief failed to implement operational restrictions or controls over vacation leave cash conversions. Further, the Fire Chief failed to demonstrate an awareness or knowledge of the total amount of vacation leave converted to cash.

Effect: The GIVFC employees converted leave to cash without limitation, which cost the entity \$137,360. In addition, the GIVFC granted excess leave to certain employees and allowed the majority of those employees to convert more leave that was legally authorized to cash, which cost the entity an additional \$42,042.

Recommendation: Parish Administration Pretermining a West Bank fire protection district and/or in the interim, the Parish Administration, through the Office of Fire Services and in cooperation with GIVFC, should exercise oversight as necessary over employee leave to ensure public funds are properly expended and safe guarded.

Management’s corrective action plan: As of August 2021, Jefferson Parish Council began its role as paymaster where they paid all payroll and non-payroll transactions on behalf of GIVFD. Any ACH transactions already in place by GIVFD was kept as is and Jefferson Parish direct deposited exact funds into GIVFD’s bank account to cover the transactions. All payroll transactions are approved by GIVFD, then approved timesheets and/or other supporting documentation is submitted to Jefferson Parish for additional approval and payment. Jefferson Parish is still paymaster for GIVFD as of the date of this audit report. Subsequent to December 31, 2021, GIVFD reestablished a Board of Directors in accordance with the entity’s By-Laws. GIVFD has prepared written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. This will also include certain responsibilities of the board of directors. Management feels that exposure to abuse of annual leave is reduced, if not eliminated, and will have the resources to resolve this finding.



**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

**Finding #5: Lack of Internal Controls, Timesheets, Payroll, and Benefits**

Condition: During testing of 660 payroll transactions amounting to \$1,362,849 in gross pay, a number of exceptions resulting in questioned costs were identified:

1. Missing or unavailable timesheets amounting to \$86,475.
2. Uncleared checks improperly voided totaling \$24,962.
3. Unapproved timesheets totaling \$24,811.
4. The Assistant Fire Chief and the Logistics Chief were approving the timesheets, accessing payroll bank accounts, processing payroll, and signing payroll checks, which indicates a lack of segregation of duties in all remaining payroll transactions totaling \$766,152 in questioned costs.

Criteria: GIVFC Memorandum on Internal Accounting Policies and Procedures required that employees keep track of their time by day and complete a standardized timesheet. The timesheet should be signed by the employee at the end of the pay period and turned into the Fire Chief for review and approval.

Cause: The Fire Chief did not review the majority of employee timesheets tested by the JPOIG. Timesheets serve as the basis for hours worked and employee pay.

Effect: Failure to implement timekeeping and payroll controls, and segregate the duties of timekeeping and payroll, creates the potential for fraud, waste, and abuse to occur and remain undetected. Total questioned costs involving payroll transactions total \$902,400.

Recommendation: Parish Administration Preterminating a West Bank fire protection district and/or in the interim, the Parish Administration, through the Office of Fire Services and in cooperation with GIVFC, should exercise oversight as necessary over payroll transactions to ensure public funds are properly expended and safe guarded.

Management's corrective action plan: As of August 2021, Jefferson Parish Council began its role as paymaster where they paid all payroll and non-payroll transactions on behalf of GIVFD. Any ACH transactions already in place by GIVFD was kept as is and Jefferson Parish direct deposited exact funds into GIVFD's bank account to cover the transactions. All payroll transactions are approved by GIVFD Board, Fire Chief, and Employee then approved timesheets and/or other supporting documentation is submitted to Jefferson Parish for additional approval and payment. Jefferson Parish is still paymaster for GIVFD as of the date of this audit report. Subsequent to December 31, 2021, GIVFD reestablished a Board of Directors in accordance with the entity's By-Laws. GIVFD has prepared written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. This will also include certain responsibilities of the board of directors. Management feels that exposure to risks associated with lack of internal controls, timesheets, payroll, and benefits are reduced, and will have the resources to resolve this finding going forward.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

***Operating Expenditures – Exclusive of Payroll and Fuel Expenditures***

**Finding #6: Questioned and Disallowed Operating Expenditures**

Condition: The JPOIG questioned 48 transactions totaling \$151,633 of operating expenses that were not adequately supported by invoices indicating a fire services expense. The JPOIG also noted 13 disallowed transactions in the amount of \$3,904 as unallowable uses of fire millage funds. Total questioned and disallowed costs represent 91% of the expenditures tested.

Criteria: State law provides that the proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied. The Proposition approved by voters for the Fire Protection District No. 9 stated that the purpose of the millage was for the purpose of acquiring, constructing, improving, providing, maintaining, or operating the District’s fire protection facilities and equipment.

Attorney General Opinion 12-0086 states in part “public funds may be spent on food and nonalcoholic beverages to be served to volunteer firefighters during training sessions or workshops when such session or workshop is scheduled during normal mealtime hours and it is necessary to conduct the training at that time...If training occurs on a regular basis and is part of the firefighters normal working hours, it may be less reasonable to use public funds to provide meals.”

Cause: The GIVFC does not properly control its use of Parish millage funds to ensure that adequate documentation is retained.

Effect: Lack of adequate systems, policies, and procedures to control operating expenditures creates the potential for fraud, waste, and abuse to occur and remain undetected.

Recommendation: Parish Administration Pretermitted a West Bank fire protection district and/or in the interim, the Parish Administration, through the Office of Fire Services and in cooperation with GIVFC, should exercise oversight as necessary over operating expenditures to ensure public funds are properly expended and safe guarded.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

**Finding #6: Questioned and Disallowed Operating Expenditures (continued)**

Management's corrective action plan: As of August 2021, Jefferson Parish Council began its role as paymaster where they paid all payroll and non-payroll transactions on behalf of GIVFD. Any ACH transactions already in place by GIVFD was kept as is and Jefferson Parish direct deposited exact funds into GIVFD's bank account to cover the transactions. All operating expenditures are approved by GIVFD, then approved invoices and/or supporting documentation is submitted to Jefferson Parish for second approval and payment. Jefferson Parish is still paymaster for GIVFD as of the date of this audit report. Subsequent to December 31, 2021, GIVFD reestablished a Board of Directors in accordance with the entity's By-Laws. GIVFD has currently prepared written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. The invoices are to be approved by the Board Treasurer, and the Fire Chief, then the Administrative Assistant will input the invoices for payment. Once the check is written then the Board President and Vice President will approve and sign the checks. This will also include certain responsibilities of the board of directors. Management feels that exposure to risks associated with operating expenditures are reduced, and will have the resources to resolve this finding going forward.

***Fuel Expenditures***

**Finding #7: Fuel Invoicing Exceptions**

Condition: The JPOIG testing revealed two (2) instances where the GIVFC fueled the GIVES vehicles with fire millage funds, and four (4) instances where fuel transactions were unidentified. All of the fuel transactions tested lacked managerial approval of the invoice. Total questioned costs associated with these exceptions are \$4,221, and disallowed costs are \$155.

Criteria: The GAO Standards for Internal Control, commonly known as the Green Book, is a recognized authoritative source used by government finance professionals. Section 10.10 states:

... Management may design a variety of transaction control activities for operational processes, which may include verifications, reconciliations, authorizations and approvals, physical control activities, and supervisory control activities.

Cause: The GIVFC management did not provide its employees with adequate guidelines for the purchase and usage of the fuel for Parish owned fire vehicles and equipment.

Effect: Lack of proper controls over the purchase of fuel creates the potential for fraud, waste, and abuse to occur and remain undetected. Total questioned and disallowed costs associated with these exceptions are \$4,376.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

**Finding #7: Fuel Invoicing Exceptions (continued)**

Recommendation: Parish Administration Pretermitted a West Bank fire protection district and/or in the interim, the Parish Administration, through the Office of Fire Services and in cooperation with GIVFC, should exercise oversight as necessary over fuel expenditures to ensure public funds are properly expended and safeguarded.

Management's corrective action plan: As of August 2021, Jefferson Parish Council began its role as paymaster where they paid all payroll and non-payroll transactions on behalf of GIVFD. Any ACH transactions already in place by GIVFD was kept as is and Jefferson Parish direct deposited exact funds into GIVFD's bank account to cover the transactions. All fuel expenditures are approved by GIVFD, then approved invoices and/or supporting documentation is submitted to Jefferson Parish for second approval and payment. Jefferson Parish is still paymaster for GIVFD as of the date of this audit report. Subsequent to December 31, 2021, GIVFD reestablished a Board of Directors in accordance with the entity's By-Laws. GIVFD is currently preparing written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. A new procedure of logging unit number, mileage and gallons has been implemented for each vendor with signature for employee. This will also include certain responsibilities of the board of directors. Management feels that exposure to risks associated with fuel expenditures are reduced, and will have the resources to resolve this finding going forward.

***Equipment and Fixed Assets***

**Finding #8: Failure to Safeguard Fixed Assets and Equipment**

Condition: As of 2020, the GIVFC maintained a total of \$1,551,755 in capital assets, of which, vehicles and equipment totaled \$1,145,673.9 The GIVFC lacks a written equipment maintenance policy, and lacks written procedures to ensure that equipment is properly inventoried. OFS has not coordinated with GIVFC to establish a detailed fixed assets inventory. Neither GIVFC, nor the OFS, have taken the appropriate action to safeguard assets purchased and maintained with Parish funds.

Criteria: The 03/13/2018 Fire Protection agreement provides that, "the apparatus, equipment, and vehicles purchased with contract consideration or public funds... shall be the property of Jefferson Parish and shall be titled to the Parish, assets purchased prior to the effective date of the agreement are the property of the Parish, any asset acquired within three years prior to the commencement date of the agreement shall be retitled in the Parish's name."

The Fire Protection agreement also provides that the GIVFC and Parish will cooperate with one another to prepare an inventory of each asset and piece of equipment with an initial purchase cost of Five Hundred (\$500.00) Dollars.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

**Finding #8: Failure to Safeguard Fixed Assets and Equipment (continued)**

Cause: Neither the GIVFC, nor the OFS, has insured compliance with basic procedures to safeguard company fixed assets and equipment.

Effect: The current failure to safeguard company fixed assets exposes the company and the Parish to potential liability and loss of use of the fire equipment totaling \$1,145,673.

Recommendation: Parish Administration Pretermitted a West Bank fire protection district and/or in the interim, the Parish Administration, through the Office of Fire Services and in cooperation with GIVFC, should exercise oversight as necessary over fixed assets to ensure public funds are properly expended and safeguarded.

Management's corrective action plan: Subsequent to December 31, 2021, GIFVD reestablished a Board of Directors in accordance with the entity's By-Laws. GIVFD is currently preparing written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. This will also include certain responsibilities of the board of directors. Management feels that they will have the resources to resolve this finding going forward.

**Finding #9: Lack of Compliance with Parish Contracts**

Condition: As of the date of this report, the OFS has prepared a compliance report on the GIVFC as follows:

1. Fire reports are not submitted in a timely manner.
2. Insurances expired in August (reinstated on August 9, 2021).
3. An annual budget was not submitted.
4. PIAL Fire rating reports were incomplete.
5. Equipment inventory listings were incomplete.

The JPOIG also noted that the GIVFC was not in good standing with the Louisiana Secretary of State, which is a requirement of the Parish contract.

Criteria: Fire Protection Agreement, Section III Reports and Records, states that GIVFC agrees to submit the following: (A) Annual Audited Financial statements to the Finance Director, (B) itemized annual budget for operations and capital expenditures to the Director of Fire Services, (C) retain records in accordance with standard accounting guidelines, (D) Quarterly financial reports concerning expenditures of funds to the Director of Fire Services, (E) Provide certificates of completion issued by the Louisiana Board of Ethics 1-hour training to the Director of Fire Services.

**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**B. SECTION II- FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Significant Deficiencies**

**2021-007 Office of Inspector General, Jefferson Parish Public Audit Report (continued)**

**Finding #9: Lack of Compliance with Parish Contracts (continued)**

Cause: The GIVFC has not updated its information with the Secretary of State as required by Louisiana law. The GIVFC has not fully complied with the Parish contract, nor has it fully complied with the OFS and JPOIG requests for information.

Effect: The above results in a lack of compliance with the Parish contract and the Louisiana Secretary of State requirements.

Recommendation: The JPOIG recommends that the Parish Administration/OFS establish policies and procedure to monitor compliance with all aspects of the Fire Protection Agreement, including the entity's status with the Louisiana Secretary of State.

Management's corrective action plan: Subsequent to December 31, 2021, GIFVD reestablished a Board of Directors in accordance with the entity's By-Laws. GIVFD is currently preparing written policies and procedures to address the current operations and areas of improvement of the fire department for implementation. This will also include certain responsibilities of the board of directors. In addition, Management intends to coordinate with Jefferson Parish to jointly review the Cooperative Endeavor Agreement to amend its contents to better suit the current relationship and operational matters. Management feels that they will have the resources to resolve this finding going forward.

**C. SECTION III – COMPLIANCE AND OTHER MATTERS**

There was one instance of noncompliance referenced to in Section I of this schedule. This instance is reported in item 2021-007 Office of Inspector General, Jefferson Parish Public Audit Report; Finding #9 Lack of Compliance with Parish Contracts.

**D. SECTION IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not Applicable

**GRAND ISLE VOLUNTEER FIRE COMPANY NO.1 (GIVFD)  
D/B/A  
FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
For the Year Ended December 31, 2021**

**SECTION IV- STATUS OF PRIOR YEAR FINDINGS**

The status of findings and responses noted in prior years is noted below:

**FINANCIAL STATEMENT FINDINGS**

Prior Year Comment No.	Description	Status
SD# 20-01	Inadequate Segregation of Duties	See CY Finding 2021-001
SD# 20-02	Failure to Backup Data Resulting in Loss of Computer Files	This matter has been discussed with management and similar finding is not reported in current year.
SD# 20-03	Preparation of Financial Statements by Auditor	See CY Finding 2021-003
SD# 20-04	Failure to Maintaining Proper Fixed Asset Records	Similar finding is not reported in current year.
SD# 20-05	Failure to Remit 401k Retirement Contributions on a Timely Basis	Similar finding is not reported in current year.
CF# 20-01	State Supplemental Pay Not Being Captured and Taxed in Payroll Records	Similar finding is not reported in current year.

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**GRAND ISLE VOLUNTEER FIRE COMPANY NO. 1**  
**d/b/a**  
**FIRE PROTECTION DISTRICT NO. 9 OF JEFFERSON PARISH**  
**STATEWIDE AGREED-UPON PROCEDURES REPORT**  
**YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the President and Board of Directors of  
Grand Isle Volunteer Fire Department, Inc. (GIVFD)  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Grand Isle Volunteer Fire Department, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

The Grand Isle Volunteer Fire Department, Inc. 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, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **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.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **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).
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **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 the statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **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) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*GIVFD does not have policies and procedures for each of the categories to address the functions noted above. Ethics, Debt Service and Sexual Harassment does not apply to GIVFD.*

*Management's responses: GIVFD has prepared and implement written policies and procedures applicable to address functions noted above.*

#### ***Board (or Finance Committee, if applicable)***

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- 2. 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:
  - a) 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.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
  - c) 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.

*GIVFD failed to maintain a qualified Board of Directors in accordance with their articles of incorporation. Therefore, meetings were not held during the fiscal period.*

*Management's responses: Subsequent to December 31, 2021, GIVFD has assembled a Board of Directors in accordance with the articles of incorporation and is meeting on a regular basis. The Board intends to include review of financial information noted above in its meetings.*

### ***Bank Reconciliations***

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3. Obtain a listing of entity 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 each selected account, and observe that:

*Obtained listing of client bank accounts for the fiscal period from management and management's representation that listing is complete.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) 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.

*Bank reconciliations selected were not prepared within 2 months of the related statement date and when the reconciliations were prepared, there was no evidence that the reconciliation was reviewed by a member of management or board. One of three reconciliations selected included reconciling items that have been outstanding for more than twelve months and management does not have documentation to reflect that the items have to been researched.*

*Management's responses: Management understands the importance of timely financial reporting including reconciling bank accounts to the general ledger. The preparation and review of bank reconciliations will be evaluated, and assigned to the Treasurer and Administrative Assistant and included in its financial reporting policies to ensure timely and accurate reconciliations.*

### ***Collections (excluding electronic funds transfers)***

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

*Obtained a listing of deposit sites and management's representation that listing is complete.*

5. 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:

*Obtained a listing of collection locations and management's representation that listing is complete.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exceptions noted.*

- b) 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.

*Employee responsible for collecting cash is responsible for preparing bank deposits and makes deposits at the bank.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*Employee responsible for collecting cash is responsible for posting receipts to the general ledger.*

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

*GIVFD does not reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source.*

*Management's responses: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.*

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

*No exceptions noted.*

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

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- d) 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).

*One of three receipts selected was not deposited within on day of collection. Two of three deposits selected did not include documentation to determine when the check was received, therefore, we were unable to determine if the deposit was deposited within one day of collection.*

*Management’s responses: GIVFD intends to evaluate the collection procedures and include in its financial reporting policies the process for documenting cash/checks received, as well as the bank deposit process to ensure timely deposits of cash/checks into the bank.*

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

*No exceptions noted.*

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

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

*Obtained listing of locations that process payments and management’s representation that listing is complete.*

9. 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:

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

*No exception noted.*

b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions noted.*

c) 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.

*The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.*

*Management's response: GIVFD intends to evaluate how vendor files are added/modified, include in its financial reporting policies the process for adding/modifying vendor files, and where applicable, provide for periodic review of vendor files. GIVFD has completed all new vendor files for every vendor.*

d) 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.

*The person responsible for processing payments also mails the checks.*

*Management's response: Currently, Jefferson Parish is the paymaster for GIVFD and is responsible for the disbursement process, including mailing checks. Management intends to evaluate the disbursement process and implement policies to segregate these duties to the extent possible with the limited number of employees involved for when the disbursement responsibilities are turned back over to GIVFD.*

10. 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:

a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

*No exception noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Disbursement documents included evidence of segregation of duties or lack thereof as noted under #9, as applicable.*

*Management's response: Currently, Jefferson Parish is the paymaster for GIVFD and is responsible for the disbursement process, including mailing checks. Management intends to evaluate the disbursement process and implement policies to segregate these duties to the extent possible with the limited number of employees involved for when the disbursement responsibilities are turned back over to GIVFD.*

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. 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.

*Obtained listing of the credit cards and management's representation that listing is complete.*

12. Using the listing prepared by management, randomly select 5 cards (or all 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:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

*No exceptions noted.*

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

*Credit card statement selected included interest charged.*

*Management's response: Management is in the process of preparing and implementing policies for credit card use. Review of charges and monthly statements will be included to ensure timely payments avoiding finance charges and/or late fees.*

13. 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 (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*Written documentation of the business/public purpose was not documented on all transactions.*

*Management's response: Management has prepared and implemented policies for credit card use. Documentation of the business/public purpose will be included to ensure appropriate use of public funds.*

#### **Travel and Travel -Related Expense Reimbursements (excluding card transactions)**

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14. 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:

*Obtained listing of travel and related expense reimbursements and management's representation that listing is complete.*

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions noted.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*No exceptions noted.*

- c) 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).

*No exceptions noted.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

#### **Contracts**

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Obtained listing of contracts initiated or renewed during the fiscal period and management's representation that listing is complete.*



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

*Not applicable.*

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

*No exceptions noted.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*Contracts selected for testing were not amended.*

- d) 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.

*No exceptions noted.*

### ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Obtained listing of employees and management's representation that listing was complete. It was noted that salaries/pay rates are not documented in employee's personnel file.*

*Management's response: Management has prepared and implementing policies for payroll and personnel. Authorization and maintenance of pay rates are now in personnel files and included to support amounts paid to its employees.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions noted.*

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

*No exceptions noted.*

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No exceptions noted.*

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*It was noted that salaries/pay rates are not documented in employee's personnel file.*

*Management's response: Management is in the process of preparing and implementing policies for payroll and personnel. Authorization and maintenance of pay rates in personnel file be included to support amounts paid to its employees.*

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' 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.

*Management represented that no employees or officials received termination payments during the fiscal period.*

19. 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.

*Management represented that payroll related tax forms have been filed, by required deadlines, however, all 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 not been paid by required deadlines .*

*Management's response: Management is in the process of preparing and implementing policies for payroll and personnel. The process and responsibility for remitting employer and employee portions of third-party payroll related payments and filing of associated forms will be included to assign appropriate personnel to this function ensuring that payments and reports are made/filed timely.*

## ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Not applicable to GIVFD.*

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

*Not applicable to GIVFD.*

### ***Debt Service***

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21. 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.

*No debt was issued during the fiscal period.*

22. 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).

*GIVFD did not have debt outstanding at the end of the fiscal period.*

### ***Fraud Notice***

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23. 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.

*Management asserted that there was one instance GIVFD credit card was used to purchase personal items during the fiscal period. This matter was turned over to the Jefferson Parish District Attorney.*

*Management's response: Management turned this matter over to the Jefferson Parish District Attorney when it came to management's attention. Management is in the process of preparing and implementing policies for credit card use if efforts to minimize risk and avoid inappropriate use of public funds going forward.*

24. 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.

*No exceptions noted.*

## ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

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

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

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

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

## ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 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.

*Not applicable to GIVFD.*

27. 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).

*Not applicable to GIVFD.*

28. 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:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

*Not applicable to GIVFD*

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

We are required to be independent of the Grand Isle Volunteer Fire Department, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Diez, Dupuy & Ruiz*

Gonzales, Louisiana  
December 31, 2022