

SABINE HUMANE SOCIETY, INC.

ANNUAL FINANCIAL REPORT

JULY 31, 2025

Sabine Humane Society, Inc.
Financial Report
July 31, 2025

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T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Sabine Humane Society, Inc.

Opinion

We have audited the accompanying financial statements of Sabine Humane Society, Inc. ("The Society") (a nonprofit organization), which comprise the statement of financial position as of July 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sabine Humane Society as of July 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sabine Humane Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sabine Humane Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer listed as other required supplementary information in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026 on our consideration of Sabine Humane Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sabine Humane Society's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued our report dated January 29, 2026, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

January 29, 2026

FINANCIAL STATEMENTS

Sabine Humane Society, Inc.
Statement of Financial Position
Year Ended July 31, 2025

ASSETS:

Current Assets:

Cash & Cash Equivalents	\$1,076,516
Prepaid Insurance	<u>2,711</u>
Total Current Assets	<u>\$1,079,227</u>

Non-current Assets:

Capital Assets:

Property & Equipment	\$ 698,000
Less: Accumulated Depreciation	<u>(258,279)</u>
Capital Assets, net	<u>\$ 439,721</u>

Other Assets:

Deposits	\$ <u>575</u>
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Total Assets	<u>\$1,519,523</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	\$ 9,290
Accrued Wages	8,949
Payroll Liabilities	<u>3,045</u>
Total Current Liabilities	<u>\$ 21,284</u>

NET ASSETS:

Without Donor Restrictions	<u>\$1,498,239</u>
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Sabine Humane Society, Inc.
Statement of Activities
Year Ended July 31, 2025

	<u>Without Donor Restrictions</u>
Revenues:	
Property Taxes	\$ 595,140
State Revenue Sharing	10,868
Adoptions	4,650
Contributions	23,412
Membership Dues	1,415
Interest	7,627
Other	<u>1,529</u>
Total Revenues	<u>\$ 644,641</u>
Expenses:	
Program Services-	
Animal Care	\$ 381,694
Supporting Services-	
Management & General	108,829
Fundraising	<u>3,307</u>
Total Expenses	<u>\$ 493,830</u>
Increase in Net Assets	\$ 150,811
Net Assets, Beginning of Year	<u>1,347,428</u>
Net Assets, End of Year	<u>\$1,498,239</u>

See independent auditor's report and related disclosures.

Sabine Humane Society, Inc.
Statement of Functional Expenses
For the Year Ended July 31, 2025

	Program	Supporting Services			Total
	Services	Management	Fundraising	Supporting	
EXPENSES:	Animal Care	& General		Services	Expenses
Marketing & Promotions	\$ -	\$ -	\$ 3,307	\$ 3,307	\$ 3,307
Accounting Services	-	25,800	-	25,800	25,800
Auto Expense	3,110	1,037	-	1,037	4,147
Depreciation	25,156	8,385	-	8,385	33,541
Feed & Supplies	15,447	-	-	-	15,447
Insurance	29,671	9,890	-	9,890	39,561
Medicine	34,997	-	-	-	34,997
Office Expense	3,036	9,109	-	9,109	12,145
Operating Supplies	15,219	5,073	-	5,073	20,292
Outside Services	2,690	897	-	897	3,587
Repairs & Maintenance	3,961	1,320	-	1,320	5,281
Telephone	1,977	659	-	659	2,636
Utilities	12,238	4,079	-	4,079	16,317
Veterinary Fees	106,453	-	-	-	106,453
Volunteer Appreciation	279	93	-	93	372
Wages & Related Taxes	127,460	42,487	-	42,487	169,947
	<u>\$381,694</u>	<u>\$108,829</u>	<u>\$3,307</u>	<u>\$112,136</u>	<u>\$493,830</u>

See independent auditor's report and related disclosures.

Sabine Humane Society, Inc.
Statement of Cash Flows
Year Ended July 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received for operations	\$ 637,335
Cash payments to vendors	(286,526)
Cash payments to employees	(169,945)
Interest received	<u>7,627</u>
Net cash provided by Operating Activities	\$ 188,491

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Assets, Furniture & Equipment	<u>(21,950)</u>
Net Increase in Cash	\$ 166,541
Cash at Beginning of Year	<u>909,975</u>
Cash at End of Year	<u>\$1,076,516</u>

See independent auditor's report and related disclosures.

NOTES TO FINANCIAL STATEMENTS

Sabine Humane Society, Inc.
Notes to Financial Statements
July 31, 2025

Introduction:

The Sabine Humane Society, Inc. (hereafter referred to as the Society) was incorporated as a nonprofit organization on November 10, 1997, under the laws of the State of Louisiana. The Society serves all of Sabine Parish. The purpose of the Society is the prevention of cruelty to animals, relief of suffering among animals, and the extension of humane education. The Society operates under a five-member Board of Directors, whose term of appointment is three years.

1. Significant Accounting Policies:

The accounting and reporting policies of Sabine Humane Society, Inc., conform to generally accepted accounting principles as applicable to non-profit organizations, and are applied on a consistent basis between periods.

The following is a summary of certain significant accounting policies and practices:

A. Financial Statement Presentation - The Society has adopted FASB Accounting Standard Update 2016-14 "*Not-for-Profit Organizations (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*". Under FASB ASU 2016-14, the Society is required to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Society's management and the board of directors. The revenues received and expenses incurred in conducting the mission of the Society are included in this category. The Society has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Society; therefore, the Society's policy is to record these net assets as without donor restrictions.
- Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or by the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

As of July 31, 2025, all net assets were without donor restrictions.

B. Basis of Accounting - The Society uses the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when they are incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Sabine Humane Society, Inc.
Notes to Financial Statements
July 31, 2025

- C. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- D. Capital Assets - Depreciation on all exhaustible capital assets is charged as an expense against the operations of the Society. Assets are recorded at cost if purchased or at market value at time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 50 years. Depreciation expense for the current year is \$33,541. Accumulated depreciation was \$258,279 at July 31, 2025.
- E. Long-Term Liabilities - The Society had no long-term debt as of July 31, 2025.
- F. Income Taxes - The Society is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as "other than a private foundation". Therefore, no provision for income taxes has been made in the financial statements. The Society is required to file an annual Form 990, *Return of Organization Exempt from Income Tax*. There was no unrelated business income for the prior ended July 31, 2025, which is not covered by this exemption. Generally, the tax returns remain open for three years for federal income tax examination.
- G. Cash and Equivalents - For the statements of cash flows, the Society considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.
- H. Functional Allocation of Expenses - Functional expenses are allocated between program services and supporting services. Supporting services include fundraising and administrative activities. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Society.
2. Cash and Cash Equivalents:

On July 31, 2024, cash and cash equivalents totaled \$1,076,516 (book balances), including \$200 in petty cash and \$31,597 in a certificate of deposit. Bank balances on July 31, 2025 totaled \$1,043,820. Bank balances of \$438,621 were secured by FDIC Insurance, with the remaining balance of \$636,795 being secured by a standby letter of credit from FHL Bank.

Sabine Humane Society, Inc.
Notes to Financial Statements
July 31, 2025

3. Capital Assets:

A summary of changes in capital assets for the Society for the year ended July 31, 2025, is as follows:

	Balance <u>7/31/24</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>7/31/25</u>
Non-Depreciable Capital Assets-				
Land	\$ <u>62,764</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>62,764</u>
Depreciable Capital Assets-				
Buildings	\$ 501,636	\$ 21,950	\$ (9,660)	\$ 513,926
Vehicles	55,078	0	0	55,078
Equipment	<u>72,842</u>	<u>0</u>	<u>(6,610)</u>	<u>40,074</u>
Total Depreciable Capital Assets	\$ <u>629,556</u>	\$ <u>21,950</u>	\$ <u>(16,270)</u>	\$ <u>635,236</u>
Total Capital Assets	\$ 692,320	\$ 21,950	\$ (16,270)	\$ 698,000
Less: Accumulated Depreciation	<u>(240,686)</u>	<u>(33,541)</u>	<u>15,948</u>	<u>(258,279)</u>
Total Capital Assets, Net	\$ <u>451,634</u>	\$ <u>(11,591)</u>	\$ <u>322</u>	\$ <u>439,721</u>

Depreciation expense for the current year totaled \$33,541.

4. Compensation Paid to Board Members:

The members of the Board of Directors receive no compensation for their services.

5. Contributions:

Contributions received are recorded as support with or without donor restrictions depending on the existence or nature of any donor-imposed restrictions. Current year contributions in the amount of \$23,412 were without donor restrictions.

Contributions of Nonfinancial Assets –

The Society received no contributions of nonfinancial assets for the year ending July 31, 2025.

6. Ad Valorem Taxes:

Taxes are levied by the Society in June or July and are billed to taxpayers in November. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are recognized as revenue when billed.

The Sabine Parish Sheriff's Office bills and collects property tax for the Society. Collections are remitted to the Society monthly. Total taxes remitted to the Society during the current year were \$595,140. Ad Valorem taxes approximate 92% of the Society's total revenue for the current year.

Sabine Humane Society, Inc.
Notes to Financial Statements
July 31, 2025

6. Ad Valorem Taxes (continued):

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax Sale	May 15

The Society is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose after the approval by the voters of the Parish.

Assessed values are established by the Sabine Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land
10% residential improvements
15% industrial improvements
15% machinery
15% commercial improvements
25% public service properties, excluding land

For the year ended July 31, 2025, taxes of 1.68 mills were levied on property with an assessed valuation totaling \$413,943,868. Louisiana law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$43,670,403 of the assessed value in 2025.

Tax Abatement –

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. Under agreements entered into by the State of Louisiana, through the Louisiana Industrial Ad Valorem Tax Exemption program, the Sabine Humane Society ad valorem tax revenues were decreased by \$109 for the current year.

7. Asset Liquidity:

The Society regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Society considers all expenditures related to its regular, recurring, and ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. The Society anticipates revenues to be sufficient to meet its general expenditure needs.

Sabine Humane Society, Inc.
Notes to Financial Statements
July 31, 2025

7. Asset Liquidity (continued):

The Society does not consider assets including deposits and fixed assets to be available for general expenditure. Deposits cannot be liquidated without terminating necessary services. Fixed assets cannot be liquidated due to donor and self-imposed restrictions. As of July 31, 2025, the following schedule identifies financial assets that could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$1,076,516
Prepaid Insurance	2,711
Deposits	575
Fixed Assets, net of accumulated depreciation	<u>439,721</u>
Total financial assets, period end	<u>\$1,519,523</u>
Less, those unavailable for general expenditures within one year, due to:	
Fixed Assets, net of accumulated depreciation	\$ 439,721
Deposits	<u>575</u>
Total	<u>\$ 440,296</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,079,227</u>

8. Related Party Transactions:

The Society had no identified related party transactions for the year ended July 31, 2025.

9. Subsequent Events:

We reviewed the accounting records subsequent to year end through the date of the auditor's report for evidence of significant transactions related to the financial statements under audit. Specifically, we reviewed cash receipts and disbursements, accounts receivable, and journal entries. As a result of these procedures, we identified one material subsequent event. Sabine Humane Society expects to have their parking lot repaved as a result of a default judgment threat made against the Lytes Brothers for their failure to uphold their end of the agreement to repave the parking lot with the agreed upon amount of 2-3 inches of concrete.

Management has evaluated events through January 29, 2026, the date which the financial statements were available for issue. There were no other items to be reported.

SUPPLEMENTARY INFORMATION

Sabine Humane Society, Inc.
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended July 31, 2025

Agency Head Name: Jackie Conyer, Board President

<u>Purpose</u>	<u>Amount</u>
Reimbursements	<u>\$73</u>

OTHER REPORTS/SCHEDULES

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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 Board Members of Sabine Humane Society

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 and the *Louisiana Governmental Audit Guide*, the financial statements of Sabine Humane Society ("The Society") (a nonprofit organization), which comprise the statement of financial position as of July 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2026.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sabine Humane Society's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana

January 29, 2026

Sabine Humane Society
Schedule of Audit Results
Year Ended July 31, 2025

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit findings:

1. An unmodified opinion was issued on the financial statements of Sabine Humane Society as of and for the year ended July 31, 2025.
2. The audit disclosed no material weakness in internal control that is required to be reported under *Government Auditing Standards*.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings identified.

III. PRIOR YEAR FINDINGS

No findings identified.

AGREED-UPON PROCEDURES

T | C | B | T
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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To Sabine Humane Society 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 August 1, 2024, through July 31, 2025. Sabine Humane Society’s (“The Society”) management is responsible for those C/C areas identified in the SAUPs.

The Society 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 August 1, 2024, through July 31, 2025. 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

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the operations:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***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.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***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 custodial fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, custodial fund forfeiture monies confirmation.)
 - ***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.

- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **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.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results: Policies and Procedures do not address the above policies and procedures other than the requirement that all employees have read the ethics policy.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed 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.
 - Reviewed the minutes from all regularly scheduled board meetings held during the year and observed that the minutes from the monthly meetings referenced or included monthly budget-to-actual comparisons on the General Fund and semi-annual budget-to-actual comparisons on all special revenue funds.
 - Obtained the prior year audit report and observed 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, observed 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.
 - Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedure Results: No exceptions were noted as a result of these procedures.

Bank Reconciliations

3. We obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
 - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliations were prepared (e.g. initialed and dated, electronically logged); and
 - 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
 - Employees that are responsible for cash collections do not share cash drawers/registers.
 - Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was in force during the fiscal period.

7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - We traced the actual deposit per the bank statement to the general ledger.

Procedure Results: No exceptions were noted as a result of these procedures.

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

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquired of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.
 - Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some electronic means.
10. For each location selected under #8 above, we obtained the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management’s representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
 - We observed that the disbursement, whether paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.

- We observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in procedure #3 under Bank Reconciliations, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that does include electronic disbursements.

Procedure Results: No exceptions were noted as a result of these procedures.

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

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
- We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (a) an original itemized receipt that identified precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results: No exceptions were noted as a result of these procedures.

Travel and Expense Reimbursement

15. We obtained 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. We randomly selected 5 reimbursements, and obtained 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:
- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1, 8th bullet).
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results: No exceptions were noted as a result of these procedures.

Contracts

16. We obtained from management a listing of all agreements/contracts (or active vendor list) for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to 5) from the listing, excluding our contract, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - We observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment, the document approval).
 - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results: No exceptions were noted as a result of these procedures.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - We observed that supervisors approved the attendance and leave of the selected employees or officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.

19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. If applicable, we agreed the hours to the employee's or official's cumulative leave records, and the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and the termination payment to entity policy.
20. We obtained 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - We observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - We observed that 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.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results: Exceptions were noted as a result of these procedures. The selected employee files did not include documentation demonstrating the completion of the one hour ethics training annually.

Debt Service

23. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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).

Procedure Results: No exceptions were noted as a result of these procedures.

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

26. We observed whether 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures:

- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquired of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed 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.

28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19, and observed evidence that the selected terminated employees have been removed or disabled from the network.

29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained cybersecurity training documentation from management, and observed that the documentation demonstrates that the selected employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

Procedure Results: We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

30. We randomly selected the employees/officials from procedure #17 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

31. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

32. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:

- Number and percentage of public servants in the agency who have completed the training requirements;

- Number of sexual harassment complaints received by the agency;
- Number of complaints which resulted in a finding that sexual harassment occurred;
- Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- Amount of time it took to resolve each complaint.

Procedure Results: Exceptions were noted as a result of these procedures. The selected employee files did not include documentation demonstrating the completion of the one hour sexual harassment training annually.

We were engaged by the Society 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 Society 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.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

January 29, 2026

Sabine Humane Society
Management's Response to Exceptions
on Statewide Agreed-Upon Procedures
Year Ended July 31, 2025

Item 1: Exception – Policies and Procedures do not address the above policies and procedures other than the requirement that all employees have read the ethics policy.

Response – Management is in the process of reviewing and updating current policies and procedures to ensure all elements are included as recommended.

Item 21: Exception – The selected employee files did not include documentation demonstrating the completion of the one hour ethics training annually.

Response – Management ensure that all employees complete the one hour ethics training annually.

Item 30: Exception – The selected employee files did not include documentation demonstrating the completion of the one hour sexual harassment training annually.

Response – Management ensure that all employees complete the one hour sexual harassment training annually.