

FINANCIAL REPORT
MARRERO-RAGUSA VOLUNTEER
FIRE COMPANY NO. 3
DECEMBER 31, 2023 AND 2022

MARRERO-RAGUSA VOLUNTEER
FIRE COMPANY NO. 3

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June 19, 2024

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Board of Directors
Marrero-Ragusa Volunteer Fire
Company No. 3
Marrero, Louisiana

Opinion

We have audited the accompanying financial statements of Marrero-Ragusa Volunteer Fire Company No. 3 (a Louisiana nonprofit corporation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years 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 Marrero-Ragusa Volunteer Fire Company No. 3 as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marrero-Ragusa Volunteer Fire Company No. 3 and to meet our 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.

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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 Marrero-Ragusa Volunteer Fire Company No. 3'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Marrero-Ragusa Volunteer Fire Company No. 3'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 Marrero-Ragusa Volunteer Fire Company No. 3'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 information 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 June 19, 2024 on our consideration of Marrero-Ragusa Volunteer Fire Company No. 3'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 solely 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 Marrero-Ragusa Volunteer Fire Company No. 3'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 Marrero-Ragusa Volunteer Fire Company No. 3's internal control over financial reporting and compliance.



New Orleans, Louisiana

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
 STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:			
Cash and cash equivalents		\$ 1,738,421	\$ 1,438,417
Prepaid expenses		<u>-</u>	<u>27,327</u>
Total current assets		1,738,421	1,465,744
USE OF ASSETS - NET		<u>734,918</u>	<u>855,935</u>
TOTAL ASSETS		<u>\$ 2,473,339</u>	<u>\$ 2,321,679</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
CURRENT LIABILITIES:			
Accrued payroll and tax liabilities		\$ 83,837	\$ 70,251
Accounts payable		8,754	28,401
Compensated absences		<u>19,984</u>	<u>25,183</u>
Total current liabilities		<u>112,575</u>	<u>123,835</u>
Net Assets:			
Without donor restrictions		<u>2,360,764</u>	<u>2,197,844</u>
Total net assets		<u>2,360,764</u>	<u>2,197,844</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 2,473,339</u>	<u>\$ 2,321,679</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE:		
Contract revenue:		
Firefighting contract	\$ 2,568,000	\$ 2,540,000
Jefferson Parish insurance rebate	80,943	96,133
Jefferson Parish capital account	-	4,175
Jefferson Parish Hurricane Ida funds	47,403	-
Interest	78,819	26,689
Donated firefighting services	10,383	6,522
Other	99,862	81,220
Total revenues	<u>2,885,410</u>	<u>2,754,739</u>
EXPENSES:		
Program services - firefighting	2,630,744	2,624,855
Supporting services:		
Management and general	91,746	152,274
Total expenses	<u>2,722,490</u>	<u>2,777,129</u>
INCREASE (DECREASE) IN NET ASSETS	162,920	(22,390)
NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF PERIOD	<u>2,197,844</u>	<u>2,220,234</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF PERIOD	<u>\$ 2,360,764</u>	<u>\$ 2,197,844</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 19,527	\$ 19,527
Contract work	-	13,200	13,200
Depreciation	152,095	1,580	153,675
Donated firefighting services	10,383	-	10,383
Dues and subscriptions	-	1,684	1,684
Equipment	1,295	12,981	14,276
Fire Alarm	2,805	-	2,805
Fire prevention	3,932	-	3,932
Fire station supplies	3,967	-	3,967
Fuel	21,672	-	21,672
Gear	52,497	-	52,497
Insurance	571,316	5,937	577,253
Medical	5,692	59	5,751
Office	-	19,989	19,989
Payroll expense	993	10	1,003
Payroll taxes	99,920	9	99,929
Repairs - station and vehicles	88,342	-	88,342
Retirement contribution	40,165	417	40,582
Salaries and wages	1,517,693	15,771	1,533,464
Telephone and utilities	56,016	582	56,598
Training and travel	198	-	198
Uniforms	1,763	-	1,763
	<hr/>	<hr/>	<hr/>
TOTAL	\$ <u>2,630,744</u>	\$ <u>91,746</u>	\$ <u>2,722,490</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 86,128	\$ 86,128
Arson investigation	779	-	779
Contract work	-	13,200	13,200
Depreciation	152,292	1,471	153,763
Donated firefighting services	6,522	-	6,522
Dues and subscriptions	-	2,220	2,220
Equipment	908	19,054	19,962
Fire alarm	2,770	-	2,770
Fire station supplies	3,624	-	3,624
Fuel	25,217	-	25,217
Gear	12,868	-	12,868
Insurance	554,421	5,356	559,777
Medical	3,343	32	3,375
Miscellaneous expenses	404	-	404
Office	-	8,039	8,039
Payroll expense	1,131	12	1,143
Payroll taxes	124,457	6	124,463
Repairs - station and vehicles	121,679	-	121,679
Retirement contribution	42,365	435	42,800
Salaries and wages	1,504,431	15,686	1,520,117
Software	6,375	65	6,440
Telephone and utilities	55,502	570	56,072
Training and travel	835	-	835
Uniforms	4,932	-	4,932
	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$ <u>2,624,855</u>	\$ <u>152,274</u>	\$ <u>2,777,129</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 162,920	\$ (22,390)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	153,675	153,763
Decrease in prepaid expenses	27,327	956
Increase in accrued payroll and tax liabilities	13,586	29,397
Decrease in accounts payable	(19,647)	(10,132)
Decrease in compensated absences	(5,199)	(23,548)
Net cash provided by operating activities	<u>332,662</u>	<u>128,046</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment	<u>(32,658)</u>	<u>-</u>
Net cash used by investing activities	<u>(32,658)</u>	<u>-</u>
 NET INCREASE IN CASH	 300,004	 128,046
Cash at beginning of year	<u>1,438,417</u>	<u>1,310,371</u>
CASH AT END OF YEAR	\$ <u>1,738,421</u>	\$ <u>1,438,417</u>
 SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for the following:		
Interest	\$ <u>-</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

ORGANIZATION:

Marrero-Ragusa Volunteer Fire Company No. 3 (the Company) was established in 1954 to provide firefighting and rescue service to a designated area of the Eighth Fire District on the West Bank of Jefferson Parish, Louisiana (a separate entity). In addition, the Company provides fire code inspections for businesses within its district, as well as firefighting and rescue training for its members. The Company maintains three fire stations and has 33 paid employees and approximately 12 volunteers. The Company's main source of revenue is a fire protection contract with Jefferson Parish effective for the period June 1, 2004 through May 31, 2014. The contract was adopted by the Jefferson Parish Council on May 25, 2004 by resolution number 103561. The contract is currently operating on a month-to-month basis while negotiating a new contract with Jefferson Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting and Financial Statement Presentation:

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Company is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. According two classes of net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions – net assets available for use in general operations and not subject to donor (or certain grantor) restrictions
- Net assets with donor-imposed restrictions – net assets subject to donor-imposed (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets. As of December 31, 2023 and 2022, the fire department had only net assets without donor restrictions.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Allocation of Expenses:

The cost of providing programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses, which are easily and directly associated with firefighting or general and administrative, are charged directly to that functional area. Certain other expenses have been allocated to firefighting services and general and administrative based on time devoted by the fire department's staff.

Program services consist of providing firefighting services to the Eighth Fire District of Jefferson Parish.

Supporting Services: Management and General consists of general administrative expenses incurred.

Revenue:

Substantially all of the fire department's revenue is derived from funds provided by the Fire Protection District No. 8 of Jefferson Parish to provide firefighting and rescue services to the designated area of the Eighth Fire Protection District and is considered to be an exchange transaction within the scope of ASC Topic 606, *Revenue from Contracts with Customers*. The Parish pays the fire department monthly installments, which represent the net proceeds of millage levied annually on the assessed valuation of property in the Eighth Fire Protection District. Revenue is recognized as the services are performed monthly.

In addition, the fire department routinely receives revenue from insurance rebates. The amount is received annually from the State of Louisiana through Jefferson Parish. The amount received is based on the number of homes within the fire district totaled \$80,943 and \$96,133 for 2023 and 2022, respectively.

Donated Services:

FASB ASC 958-605-10 provides that the value of donated services is to be recognized in financial statements if the services require specialized skills, are provided by persons possessing those skills, and the services would be purchased if they were not donated. The Company's volunteer firefighters undergo extensive specialized training, and the firefighting services would have to be purchased by the Company or Jefferson Parish if the services were not provided by volunteers.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes:

The Company is exempt from income taxes under Internal Revenue Code Section 501(c)(4) as a nonprofit organization and, accordingly, the financial statements do not reflect a provision for income taxes.

The Company's Federal Return of Organization Exempt from Income Tax (990) for 2023, 2022, 2021, and 2020 are subject to examination by the IRS, generally, for three years after they were filed.

Cash and Cash Equivalents:

For purposes of the Statement of Cash Flows, the Company considers cash in operating bank accounts, demand deposits, and cash on hand with a maturity of three months or less as cash and cash equivalents.

Use of Assets:

It is understood that any acquisition of immovable property, equipment, vehicles, or buildings by the fire department with funds from the Jefferson Parish contract, are the property of Jefferson Parish, and, if legally required to be titled, should be titled in Jefferson Parish's name and not in the name of the fire department. It is also understood that in the event the fire department should cease operations voluntarily, for whatever reason, or be removed for just cause by Jefferson Parish, all buildings, equipment or apparatus purchased with appropriations from Jefferson Parish general and special revenue funds or contract consideration shall become (or remain if already titled in Jefferson Parish's name) the property of Jefferson Parish.

The assets owned and titled by Jefferson Parish and used by the fire department are reported on the department's Statements of Financial Position as a use of asset. The fire department records the use of asset for purchases over \$1,000 and expenses those purchases under \$1,000. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Depreciation is computed using the straight-line method over the useful lives of the assets. The lives range from 5 to 40 years.

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 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 expenditures during the reporting period. Actual results could differ from those estimates.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Economic Dependency, Fire Protection Contract

Substantially all of the Company's public support is derived from funds provided by Jefferson Parish. The Company had a contract with Jefferson Parish, effective June 1, 2004 through May 31, 2014, under which the Company receives one-third of certain ad valorem taxes assessed within the Eighth Fire Protection District of Jefferson Parish, as well as additional funding from sales taxes and fire insurance rebates. The contract is currently on a month-to-month basis and is in the process of being renewed with Jefferson Parish.

Amounts received from ad valorem taxes through the Jefferson Parish contract were \$2,568,000 and \$2,540,000 for the years ended December 31, 2023 and 2022, respectively. Fire insurance rebates received through the Jefferson Parish contract were \$80,943 and \$96,133 for the years ended December 31, 2023 and 2022, respectively.

As part of the contract with Jefferson Parish, the Company is provided funds to purchase firefighting equipment. For the years ended December 31, 2023 and 2022, the Company received \$-0- and \$4,175, respectively, support used to purchase firefighting equipment. Once the useful life of the asset is exhausted, the asset is turned over to the Parish for sale or disposal.

During the year ended December 31, 2023, the Company received additional amounts from Jefferson Parish totaling \$47,403 representing a share of money received by the Parish as a result of Hurricane Ida which made landfall in August 2021.

2. CASH:

At December 31, 2023 and 2022, the Company maintained cash balances in a local bank. The bank balances totaled \$1,739,743 and \$1,493,432, and the book balances totaled \$1,738,421 and \$1,438,417, respectively. Bank balances were insured by federal deposit insurance through promontory ICS sweep accounts.

3. DONATED SERVICES:

Many volunteers have donated significant amounts of their time to the fire company's firefighting program services. The value of these donated services that are included in the financial statements and the corresponding expenses for the years ended December 31, 2023 and 2022 was \$10,383 and \$6,522, respectively. The value of these donated services was estimated using the number of hours donated and an average of hourly rate paid to firefighters during the year.

4. COMPENSATED ABSENCES:

The Company's paid operators accrue vacation at varying rates based on their term of service. At December 31, 2023 and 2022, 10 and 15 employees had accumulated a total of \$19,984 and \$25,183, respectively, of unused vacation.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

5. EMPLOYEE BENEFIT PLAN:

The Company has a 401(k) retirement plan for all eligible employees. Eligible employees must contribute up to 2% of their gross salary to be eligible for employer matching contributions. The Company may make a discretionary matching contribution equal to a percentage of salary deferrals. In addition, the Company is allowed to make a discretionary profit-sharing contribution for its eligible employees. The Company made an employer matching contribution up to 4% for all eligible employees during 2023 and 2022. During the years ended December 31, 2023 and 2022, the Company contributed a total of \$40,582 and \$42,800, respectively, to the plan.

6. USE OF ASSETS:

The cost and accumulated depreciation of the use of assets were as follows:

December 31, 2023

	Balance			Balance
	<u>1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/23</u>
Land	\$ 127,000	\$ -	\$ -	\$ 127,000
Parking lot	35,400	32,658	-	68,058
Buildings	374,532	-	-	374,532
Building improvements	176,760	-	-	176,760
Vehicles	2,323,103	-	-	2,323,103
Equipment	592,479	-	-	592,479
Communication equipment	195,170	-	-	195,170
Furniture and fixtures	20,899	-	-	20,899
	<u>3,845,343</u>	<u>32,658</u>	<u>-</u>	<u>3,878,001</u>
Accumulated Depreciation	<u>(2,989,408)</u>	<u>(153,675)</u>	<u>-</u>	<u>(3,143,083)</u>
Use of assets, net	<u>\$ 855,935</u>	<u>\$ (121,017)</u>	<u>\$ -</u>	<u>\$ 734,918</u>

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

6. USE OF ASSETS: (Continued)

December 31, 2022

	Balance			Balance
	<u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/22</u>
Land	\$ 127,000	\$ -	\$ -	\$ 127,000
Parking lot	35,400	-	-	35,400
Buildings	374,532	-	-	374,532
Building improvements	176,760	-	-	176,760
Vehicles	1,442,595	906,161	(25,654)	2,323,103
Equipment	592,479	-	-	592,479
Communication equipment	195,170	-	-	195,170
Furniture and fixtures	20,899	-	-	20,899
	<u>2,964,835</u>	<u>906,161</u>	<u>(25,654)</u>	<u>3,845,343</u>
Accumulated Depreciation	<u>(1,955,137)</u>	<u>(153,763)</u>	<u>25,654</u>	<u>(2,989,408)</u>
Use of assets, net	<u>\$ 1,009,698</u>	<u>\$ 752,398</u>	<u>\$ -</u>	<u>\$ 855,935</u>

7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the fire company's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

	<u>2023</u>	<u>2022</u>
Financial assets, at year end:		
Cash	<u>\$ 1,738,421</u>	<u>\$ 1,438,417</u>
Total financial assets at year end	<u>1,738,421</u>	<u>1,438,417</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,738,421</u>	<u>\$ 1,438,417</u>

8. EXPENSES PAID BY OTHERS:

The full-time firefighters of the Company receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. The amount of pay received varies based on years of service. As these supplemental state funds are paid directly to the firefighters, and do not pass through the Company, they are not included in these financial statements.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

9. DATE OF MANAGEMENT'S REVIEW:

Subsequent events have been evaluated by management through June 19, 2024, which is the date that the financial statements were available to be issued.

10. RECLASSIFICATIONS:

Certain 2022 amounts have been reclassified to conform to 2023 presentation.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
DECEMBER 31, 2023

Agency Head Name: Frank Margiotta, Fire Chief

Purpose	Amount
Salary	\$ 98,983
Benefits - insurance	22,042
Benefits - retirement	<u>1,924</u>
Total	\$ <u>122,949</u>



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

June 24, 2024

To the Board of Directors
Marrero-Ragusa Volunteer Fire
Company No. 3
Marrero, 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 Marrero-Ragusa Volunteer Fire Company No. 3 (a Louisiana nonprofit organization), which comprise the statement of financial position as December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marrero-Ragusa Volunteer Fire Company No. 3's (the Company) 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marrero-Ragusa Volunteer Fire Company No. 3'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 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 Company'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 Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



New Orleans, Louisiana

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY, NO. 3
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Marrero-Ragusa Volunteer Fire Company No. 3 for the year ended December 31, 2023 was unmodified.
2. Internal Control
Material weaknesses: None noted
Significant deficiencies: None noted
3. Compliance and Other Matters
Noncompliance material to financial statements: None noted

FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING
STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

None noted

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY, NO. 3
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

STATUS OF PRIOR YEAR FINDING:

None noted

MARRERO-RAJUSA VOLUNTEER
FIRE COMPANY NO. 3

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JANUARY 1, 2023
THROUGH DECEMBER 31, 2023

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE FISCAL YEAR JANUARY 1, 2023 THROUGH DECEMBER 31, 2023

June 19, 2024

Board of Directors Marrero-Ragusa Volunteer Fire Company No. 3

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 year January 1, 2023 through December 31, 2023. Marrero-Ragusa Volunteer Fire Company No. 3's (the Company) management is responsible for those C/C areas identified in the SAUPs.

Marrero-Ragusa Volunteer Fire Company No. 3 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 1, 2023 through December 31, 2023. Additionally, the 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:

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1) Written Policies and Procedures

- A. **Procedure:** Obtain and inspected the entity's written policies and procedures and observed whether they addressed each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: Upon applying the agreed-upon procedures above, it is noted that there are no written policies and procedures for who is/are the required approver(s) of credit card statements. It is also noted that there was no policy regarding Information Technology Disaster Recovery and Business Continuity.

Management's response: Management will continue to work with the Board of Directors to include the items noted above in our policies and will add provisions regarding employee training to the sexual harassment policy.

2) **Board or Finance Committee**

- A. **Procedure:** Obtain and inspect the board/finance committee minutes for the calendar year, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the calendar year, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the calendar year referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

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

Results: Upon applying the agreed-upon procedures above, we noted that two board meetings did not reference or include financial activity relating to public funds in the minutes.

Management's response: Board members are provided financial information prior to monthly meetings. Management will make sure to include discussion of those financial matters during the meetings.

3) *Bank Reconciliations*

- A. **Procedure:** Obtain a listing of entity bank accounts for the calendar year 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 selected 4 additional accounts (or all accounts if less than 5). Randomly select one month from the calendar year, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observed that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Upon applying the agreed-upon procedures above, we noted that bank reconciliations show no evidence of review.

Management's response: Bank reconciliations are prepared by an outside accountant within a month of month end and provided to management for review each month. Management will implement a procedure to note reconciliation date and to sign off on bank reconciliations once reviewed.

4) Collections (excluding electronic funds transfers)

- A. **Procedure:** Obtain a list of deposit sites for the calendar year where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

- i. Employees responsible for cash collections do not share cash drawers/registers.
- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- C. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the calendar year.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- D. **Procedure:** Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliation" 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:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

- A. **Procedure:** Obtain a listing of locations that process payments for the calendar year and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: No findings noted as a result of applying the above agreed-upon procedures.

- B. **Procedure:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: Upon applying the procedures noted above we noted that of the five checks selected for testing none reflected evidence of segregation of duties.

- C. **Procedure:** For each location selected under #8 above, we obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursement) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- i. Observe the disbursement matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity.
 - ii. Observe the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- D. **Procedure:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was
- i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and
 - ii. Approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: Upon applying the procedures mentioned above, it was noticed that one of the five electronic disbursements that were selected for testing reflected no evidence of approval.

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

- A. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the calendar year, 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.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Using the listing prepared by management randomly select 5 cards (or all cards if less than 5) that were used during the calendar year. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

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

Results: Upon applying the agreed-upon procedures above, we noted that the credit card statements were reviewed and approved by the authorized card holder. We also noted that the fuel card invoices reflected no evidence of written review or approval.

Management's Response: Management will implement a policy for reviewing credit card statements by someone other than the cardholders prior to being paid. Credit cards will be paid timely to prevent incurring finance charges.

- C. **Procedure:** 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. 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. For each transaction, observe it is supported by:
- i. An original itemized receipt that identifies precisely what was purchased,
 - ii. Written documentation of the business/public purpose,
 - iii. Documentation of the individuals participating in meals (for meals charges only)

Results: No findings noted as a result of applying the above agreed-upon procedures.

7) *Travel and Travel-Related Expense Reimbursement (excluding card transactions)*

- A. **Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements during the calendar year and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.
 - ii. If reimbursed using actual cost, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

8) *Contracts*

- A. **Procedure:** 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 calendar year. 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:
 - i. Observe the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe the contract was approved by the governing body/board, if required by policy or law.
 - iii. If the contract was amended, observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms. (e.g., if approval is required for any amendment, was approval documented).
 - iv. Randomly select one payment from the calendar year for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: No findings noted as a result of applying the above agreed-upon procedures.

9) *Payroll and Personnel*

- A. **Procedure:** Obtain a listing of employees and officials employed during the calendar year and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Randomly select one pay period during the calendar year. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - ii. Observe supervisors approved the attendance and leave of the selected employees or officials.
 - iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- C. **Procedure:** Obtain a listing of those employees or officials that received termination payments during the calendar year and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- D. **Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No findings noted as a result of applying the above agreed-upon procedures.

10) *Ethics*

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

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

Results: Upon applying the agreed-upon procedures above, we noted that the certificate for one employee could not be provided.

Management's Response: The employee in question is employed by the Jefferson Parish Fire Department and completes his training through that employer as it is one of the conditions of employment.

- B. **Procedure:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No findings noted as a result of applying the above agreed-upon procedures.

11) Debt Service

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

12) Fraud Notice

- A. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the calendar year 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.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

13) Information Technology Disaster Recovery/Business Continuity

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

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week and was not stored on the government’s local server or network. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly selected 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.

Results: We have performed the agreed-upon procedures above have and discussed the results with management of Marrero-Ragusa Volunteer Fire Company No. 3.

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

Results: We have performed the agreed-upon procedures above have and discussed the results with management of Marrero-Ragusa Volunteer Fire Company No. 3.

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

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

Results: Per R.S. 42:1267, this step is not applicable to non-profits.

14) Prevention of Sexual Harassment

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

Results: As a result of applying the above agreed-upon procedures, it was noted that Kevin Leblanc’s sexual harassment training certificate could not be located.

Management’s Response: The employee works for the Jefferson Parish Consolidated Fire Dept and takes the training through there. His certificate is not accessible by Chief Ducote.

- B. **Procedure:** 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).

Results: As a result of applying the above agreed-upon procedures, we noted no findings.

- C. **Procedure:** 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 the report includes the applicable requirements of R.S. 42:344:

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

Results: This step is not applicable to non-profits, which includes fire stations.

We were engaged by Marrero-Ragusa Volunteer Fire Company No. 3 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 Marrero-Ragusa Volunteer Fire Company No. 3 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 results 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 Louisiana Legislative Auditor as a public document.



New Orleans, Louisiana