

R E P O R T

NINE MILE POINT VOLUNTEER
FIRE COMPANY NO. 1

DECEMBER 31, 2017 AND 2016

NINE MILE POINT VOLUNTEER
FIRE COMPANY NO. 1

REPORT INDEX

DECEMBER 31, 2017 AND 2016

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 13
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	14
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 <i>GOVERNMENT AUDITING STANDARDS</i>	15 - 16
SCHEDULE OF CURRENT YEAR FINDINGS.....	17
STATUS OF PRIOR YEAR FINDINGS	18



Duplantier
Hrapmann
Hogan &
Maher, LLP

INDEPENDENT AUDITOR'S REPORT

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

New Orleans

1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore

1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma

247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville

5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

Board of Directors
Nine Mile Point Volunteer
Fire Company No. 1
Nine Mile Point, Louisiana

June 21, 2018

We have audited the accompanying financial statements of the Nine Mile Point Volunteer Fire Company No. 1 (a Louisiana nonprofit corporation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nine Mile Point Volunteer Fire Company No. 1 as of December 31, 2017 and 2016, 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.

Report on 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 agency head or chief executive officer on page 14 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 21, 2018, on our consideration of the Nine Mile Point Volunteer Fire Company No. 1'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 the Nine Mile Point Volunteer Fire Company No. 1's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, LA

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
 STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	<u>ASSETS</u>	
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
Cash (Notes 1 and 2)	\$ 267,177	\$ 316,269
Accounts receivable (Note 6)	3,113	175,000
Total current assets	<u>270,290</u>	<u>491,269</u>
PROPERTY AND EQUIPMENT: (Notes 1 and 3)		
Net of accumulated depreciation	<u>1,095,954</u>	<u>1,033,597</u>
TOTAL ASSETS	<u>\$1,366,244</u>	<u>\$1,524,866</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Accounts payable	\$ 11,211	\$ 186,211
Accrued payroll and payroll tax liabilities	33,538	15,411
Compensated absences payable (Note 1)	41,387	40,053
Capital lease payable (Note 12)	26,442	25,548
Total current liabilities	<u>112,578</u>	<u>267,223</u>
 LONG-TERM LIABILITIES:		
Capital lease payable (Note 12)	<u>85,010</u>	<u>111,452</u>
Total long-term liabilities	<u>85,010</u>	<u>111,452</u>
Total liabilities	<u>197,588</u>	<u>378,675</u>
 NET ASSETS:		
Unrestricted net assets	<u>1,168,656</u>	<u>1,146,191</u>
Total net assets	<u>1,168,656</u>	<u>1,146,191</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,366,244</u>	<u>\$1,524,866</u>

See accompanying notes.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
 STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
UNRESTRICTED NET ASSETS:		
SUPPORT:		
Firefighting contract (Note 6)	\$ 739,990	\$ 762,946
Capital purchases - contract (Note 6)	162,420	534,691
Insurance rebate (Note 6)	17,691	16,371
Interest income	-	25
Other income	4,274	1,765
Gain on disposal of assets	-	1,650
Donation income (Note 6)	-	175,000
Total support	<u>924,375</u>	<u>1,492,448</u>
EXPENSES: (Pages 5 and 6)		
Program services - firefighting	834,136	750,017
Supporting services - management and general	<u>67,774</u>	<u>66,835</u>
Total expenses	<u>901,910</u>	<u>816,852</u>
Increase in unrestricted net assets	22,465	675,596
Unrestricted net assets - beginning of year	<u>1,146,191</u>	<u>470,595</u>
NET ASSETS - END OF YEAR	<u>\$ 1,168,656</u>	<u>\$1,146,191</u>

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 6,969	\$ 6,969
Bank and credit card charges	-	114	114
Depreciation	83,059	5,099	88,158
Dues and subscriptions	-	2,740	2,740
Equipment repair	16,688	-	16,688
Firefighting supplies	20,258	-	20,258
Fuel	6,584	-	6,584
Insurance	150,252	9,224	159,476
Interest	-	5,148	5,148
Licenses	1,230	-	1,230
Maintenance	9,756	-	9,756
Meals and consumables	1,102	-	1,102
Miscellaneous	-	844	844
Morale	3,131	-	3,131
Office expense	-	4,443	4,443
Payroll taxes	38,412	2,358	40,770
Public relations	-	-	-
Retirement expense	23,383	1,435	24,818
Salaries and wages	454,166	27,882	482,048
Training and education	1,398	-	1,398
Utilities	24,718	1,517	26,235
	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 834,136</u>	<u>\$ 67,774</u>	<u>\$ 901,910</u>

See accompanying notes.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 6,548	\$ 6,548
Bank and credit card charges	-	90	90
Depreciation	36,750	2,256	39,006
Dues and subscriptions	-	3,526	3,526
Equipment repair	18,991	-	18,991
Firefighting supplies	6,054	-	6,054
Fuel	5,305	-	5,305
Insurance	127,960	7,856	135,816
Licenses	874	-	874
Maintenance	31,422	-	31,422
Meals and consumables	806	-	806
Medical expenses	-	-	-
Miscellaneous	-	924	924
Morale	2,533	-	2,533
Office expense	-	14,203	14,203
Payroll taxes	35,923	2,205	38,128
Public relations	-	-	106
Retirement expense	25,238	1,549	26,787
Salaries and wages	425,339	26,112	451,451
Training and education	9,047	-	9,047
Utilities	23,775	1,460	25,235
	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 750,017</u>	<u>\$ 66,729</u>	<u>\$ 816,852</u>

See accompanying notes.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 22,465	\$ 675,596
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	88,158	39,006
(Increase) decrease in operating assets:		
Accounts receivable	171,887	(175,000)
Increase (decrease) in operating liabilities:		
Accounts payable	(175,000)	180,126
Accrued payroll and payroll tax liabilities	18,127	3,315
Compensated absences payable	1,334	(981)
Net cash provided by operating activities	<u>126,971</u>	<u>722,062</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(164,136)	(884,688)
Disposal of property and equipment	13,621	-
Net cash used by investing activities	<u>(150,515)</u>	<u>(884,688)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on capital leases	-	137,000
Payments on capital leases	(25,548)	(6,254)
Net cash provided (used) by financing activities	<u>(25,548)</u>	<u>130,746</u>
NET DECREASE IN CASH	(49,092)	(31,880)
Cash and cash equivalents - at beginning of year	<u>316,269</u>	<u>348,149</u>
CASH AND CASH EQUIVALENTS - AT END OF YEAR	<u>\$ 267,177</u>	<u>\$ 316,269</u>

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

ORGANIZATION:

Nine Mile Point Volunteer Fire Company No. 1 (the “fire company”) was established to provide firefighting and rescue services to a designated area of the Seventh Fire District (a separate entity) of Jefferson Parish, Louisiana. In addition, the fire company provides fire code inspections for businesses within its district, as well as firefighting and rescue training for its members. The fire company maintains two fire stations and has approximately 10 full-time employees, 10 part-time employees, and 10 volunteers. The fire company's main source of revenue is a fire protection contract with Jefferson Parish, effective for the period September 2, 2014 through September 1, 2023. After September 1, 2023, the contract will operate on a month-to-month basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the fire 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, whereby revenues are recognized when earned and expenses are recognized when incurred.

The fire company follows FASB ASC 958-205, *Financial Statements of Nonprofit Organization*. Under FASB ASC 958-205, the fire company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the fire company is required to present a statement of cash flows. As of December 31, 2017 and 2016, the fire company had only unrestricted net assets.

The statement of activities presents expenses of the fire company's operations functionally between program services for firefighting and administrative and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Contributions:

The fire company adopted FASB ASC 605-10, *Accounting for Contributions Received and Contributions Made*. In accordance with FASB ASC 605-10, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

Income Taxes:

Based on a ruling by the Internal Revenue Service, the fire company is not required to file a tax return.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash:

For the purposes of reporting of cash flows, the fire company considers cash in operating bank accounts, demand deposits, cash on hand, and highly-liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents. Supplemental disclosures of cash flow information are as follows:

Cash paid during the year for:

	<u>2017</u>	<u>2016</u>
Interest	\$ 5,148	\$ -
Income Taxes	\$ -	\$ -

Property and Equipment:

Acquisitions of property and equipment in excess of \$1,000 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at acquisition cost or estimated historical cost if acquisition cost was not available. Depreciation is provided for in amounts sufficient to relate the cost of depreciable property and equipment to operations over their estimated useful lives using the straight-line method. Estimated useful lives of property and equipment are as follows:

Automobiles	5 - 10 years
Furniture and fixtures	7 - 15 years
Equipment	3 - 15 years
Buildings and improvements	7 - 50 years

The fire company's policy is to depreciate the buildings and equipment over their estimated useful lives using the straight-line method and to annually evaluate the remaining useful lives. It is at least reasonably possible that the fire company's estimate of the remaining useful lives will change in the near term.

Annual Leave:

Each full-time employee earns annual leave as follows:

<u>Years of Continuous Service</u>	<u>Hours</u>
0 - 12 months	0
1 - 10 years	216
Over 10 years*	216+

* Employees earn 12 hours of additional leave for each year over 10 years up to a maximum of 360 hours after 22 years.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Annual Leave: (Continued)

In 2012, the Board adopted a policy regarding annual leave balances. Under the new policy, at their anniversary date, employees are paid for any time accumulated over 312 hours.

The liability for accrued annual leave was \$41,387 and \$40,053 as of December 31, 2017 and 2016, respectively.

2. CASH:

At December 31, 2017 and 2016, the fire company maintained cash balances in one local bank. The bank and book balances were as follows:

	<u>Book Balances</u>	<u>Bank Balances</u>
December 31, 2017	\$ 267,177	\$ 271,150
December 31, 2016	\$ 316,269	\$ 318,470

The checking accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2017 and 2016, the fire company had uninsured cash in the amount of \$21,150 and \$68,470, respectively.

3. PROPERTY AND EQUIPMENT:

Below is a summary of activity in the fire company's property and equipment accounts during the year ended December 31, 2017:

	<u>Balance 01/01/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/17</u>
Land	\$ 85,600	\$ -	\$ -	\$ 85,600
Buildings	437,037	3,000	-	440,037
Vehicles	1,262,091	-	-	1,262,091
Firefighting equipment	136,865	145,268	-	282,133
Furniture and fixtures	16,666	2,247	-	18,913
	1,938,259	150,515	-	2,088,774
Accumulated depreciation	<u>(904,662)</u>	<u>(88,158)</u>	<u>-</u>	<u>(992,820)</u>
Net property and equipment	<u>\$ 1,033,597</u>	<u>\$ 62,357</u>	<u>\$ -</u>	<u>\$ 1,095,954</u>

Depreciation expense totaled \$88,158 for the year ended December 31, 2017.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

3. PROPERTY AND EQUIPMENT: (Continued)

Below is a summary of activity in the fire company's property and equipment accounts during the year ended December 31, 2016:

	<u>Balance</u> <u>01/01/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
Land	\$ 85,600	\$ -	\$ -	\$ 85,600
Buildings	397,821	39,216	-	437,037
Vehicles	484,805	790,906	(13,620)	1,262,091
Firefighting equipment	82,299	54,566	-	136,865
Furniture and fixtures	<u>16,666</u>	<u>-</u>	<u>-</u>	<u>16,666</u>
	1,067,191	884,688	(13,620)	1,938,259
Accumulated depreciation	<u>(879,276)</u>	<u>(39,006)</u>	<u>13,620</u>	<u>(904,662)</u>
Net property and equipment	<u>\$ 187,915</u>	<u>\$ 845,682</u>	<u>\$ -</u>	<u>\$ 1,033,597</u>

Depreciation expense totaled \$39,006 for the year ended December 31, 2016.

4. DONATED SERVICES:

Amounts have not been reflected in the financial statements for donated services because the value of these services was not readily determinable. However, a substantial number of volunteers have donated significant amounts of their time in the fire company's program services.

5. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These allocations are based upon management's estimate of usage applicable to conducting the programs and supporting services.

6. FIRE PROTECTION CONTRACT:

Substantially all of the fire company's support is derived from funds provided by Jefferson Parish. Under the contract with Jefferson Parish, the fire company receives a percentage of certain ad valorem taxes assessed within the Seventh Fire Protection District of Jefferson Parish, as well as additional funding from sales tax and fire insurance rebates. Total public support received under this contract totaled \$902,410 and \$1,297,637 for the years ended December 31, 2017 and 2016, respectively. The amount received and used for capital improvements under this contract totaled \$337,420 and \$709,691 for the years ended December 31, 2017 and 2016, respectively.

The revenue received from insurance rebates totaled \$17,691 and \$16,371 for 2017 and 2016, respectively. The amount received is based on the number of homes within the fire district.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

6. FIRE PROTECTION CONTRACT: (Continued)

During 2016, the fire company received an additional \$478,906 from Jefferson Parish for the purchase a fire truck. An additional \$175,000 was donated by State Fire Marshall and is included in accounts receivable at December 31, 2017. This donation was to fund the purchase of the truck and was received in March 2017. The remaining \$137,000 was financed. The fire truck will be used solely by the fire company in its operations and is included in the fire company's assets.

7. RETIREMENT PLAN:

The fire company has a contributory retirement plan covering all paid employees. The fire company contributes up to 3% of participating employees' annual salaries. The retirement expense for the plan for the years ended December 31, 2017 and 2016 was \$24,818 and \$26,787, respectively.

8. EXPENSES PAID BY OTHERS:

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

9. ECONOMIC DEPENDENCY:

The fire company's income is derived primarily from the proceeds of an ad valorem tax, millage, and other funding under a contract with the Jefferson Parish Council to support its fire-fighting and rescue services. See Note 6. The fire company is not aware of any plans on the part of Jefferson Parish to terminate the contract.

10. USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

11. USE OF ASSETS OWNED BY JEFFERSON PARISH:

Some assets used by the fire station are owned by Jefferson Parish. The fire company uses these assets as part of the contract with Jefferson Parish.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

12. CAPITAL LEASES:

During 2016, the fire company purchased a new fire truck under the Jefferson Parish contract. See Note 11. On September 16, 2016, the fire company entered into a loan agreement with Whitney Bank to finance the remaining \$137,000 for the purchase of fire truck. The term of the loan is five years with 3.5% interest and \$30,343 annual installments due on the 16th of September. Annual payments are to commence in September 2017. The balance of the capital lease obligation was \$111,452 and \$137,000 as of December 31, 2017 and 2016, respectively.

Future minimum payments on this lease as of December 31, 2017 are as follows:

2018	\$ 30,343
2019	30,343
2020	30,343
2021	<u>30,343</u>
Total payments	121,372
Less interest	<u>9,920</u>
Total	<u>\$111,452</u>

13. DATE OF MANAGEMENT'S REVIEW:

Subsequent events have been evaluated through June 21, 2018, which is the date the financial statements were available to be issued.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head Name: Keith R. Plaisance, Jr., Fire Chief

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 57,656
Benefits - insurance	19,399
Benefits - retirement	702
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	\$ 77,757
	\$ 77,757



Duplantier
Hrapmann
Hogan &
Maher, LLP

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

New Orleans

1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore

1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma

247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville

5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

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 21, 2018

To the Board of Directors
Nine Mile Point Volunteer
Fire Company No. 1
Nine Mile Point, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Nine Mile Point Volunteer Fire Company No. 1 (a Louisiana nonprofit corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Nine Mile Point Volunteer Fire Company No. 1's (the fire company) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the fire company's internal control. Accordingly, we do not express an opinion on the effectiveness of the fire company's internal control.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nine Mile Point Volunteer Fire Company No. 1'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 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 fire 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 fire 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.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, LA

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Nine Mile Point Volunteer Fire Company No. 1 for the year ended December 31, 2017, was unmodified.

2. Internal Control
Material weaknesses: None noted.
Significant deficiencies: None noted.

3. Compliance and Other Matters
None noted.

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

None noted.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

SUMMARY OF PRIOR YEAR FINDINGS:

None noted.

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1

NINE MILE POINT, LOUISIANA

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

DECEMBER 31, 2017

NINE MILE POINT VOLUNTEER FIRE COMPANY NO. 1

TABLE OF CONTENTS

DECEMBER 31, 2017

	<u>PAGE</u>
AGREED UPON PROCEDURES	1 - 11



Duplantier
Hrapmann
Hogan &
Maher, LLP

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

New Orleans

1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore

1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma

247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville

5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

June 21, 2018

Board of Directors
Nine Mile Point Volunteer Fire Company No. 1 and
The Louisiana Legislative Auditor

We have applied the procedures enumerated below which were agreed to by Nine Mile Point Volunteer Fire Company No. 1 (NMP) and the Louisiana Legislative Auditor, on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures (SAUPs) for the year ended December 31, 2017. NMP's management is responsible for the C/C areas identified in the SAUPs.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of these procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1) We obtained the entity's written policies and procedures and determined whether those written policies and procedures addressed each of the following financial/business functions, as applicable:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

www.dhhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) Disbursements, including processing, reviewing, and approving.
- d) Receipts, including receiving, recording, and preparing deposits.
- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) Ethics, not applicable.
- j) Debt Service, not applicable.

Upon applying the agreed upon procedures above, we noted the following:

- Purchasing –The purchasing policy does not include how vendors are added to the vendor list and documentation required to be maintained for all bids and price quotes.
- Receipts - Funds are received, recorded and prepared by the same person.
- Contracting - No written contract policy
- Travel and expense - No written discussion noted over allowable expenses or approvals over reimbursements noted.

Management's Response:

We have begun the process of developing procedures on the areas noted above as recommended by the Louisiana Legislative Auditor.

Board

- 2) We obtained and reviewed the board/committee minutes for the fiscal period, and:
 - a) determined whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

- b) determined whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
- c) determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No findings were noted as a result of applying the procedures above.

Bank Reconciliations

- 3) We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

No findings were noted as a result of applying the procedures above.

- 4) Using the listing provided by management, we selected one-third of the entity's bank accounts on a rotating basis. For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) had reviewed each bank reconciliation; and
 - c) Management had documentation reflecting that it had researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

No findings were noted as a result of applying the procedures above.

Collections

- 5) We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing was complete.

No findings were noted as a result of applying the procedure above.

- 6) Using the cash collection listing provided by management, we selected all of the entity's cash collection locations. For each cash location selected:
 - a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash was (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who was not responsible for cash collections in the cash collection location selected.
- c) We selected the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - i. Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.
 - ii. Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections were completely supported by documentation and report any exceptions.

Upon applying the agreed upon procedures above, we noted the following:

- Persons responsible for collecting cash are not bonded.
- NMP does not have a formal written policy/documentation for determining whether each person responsible for collecting cash is not responsible for depositing the cash in the bank account, recording the related transaction, or reconciling the related bank account.
- One receipt of the selected collections sample was deposited two days after collection.

Management's Response:

Although we agree with the above comments, all public funds received by the station are received via EFT directly into our checking account. Public funds make up 99.5% of the station's revenue. Additionally the board reviews all transactions monthly.

- 7) We obtained existing written documentation (e.g. policy manual, written procedure) and determined whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who was not responsible for collections.

Upon applying the agreed upon procedures above, we noted that the cash receipts policy did not include procedures to determine completeness of all collections, including electronic transfers, for each revenue source and by a person who is not responsible for collections.

Management's Response:

We will work on adopting a cash receipts policy that includes procedures to determine completeness of all collections including electronic transfers by a person who is not responsible for collections. The board also reviews revenues for completeness through monthly treasurer report.

Disbursements – General (excluding credit card purchases or payments)

- 8) We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We also obtained management's representation that the listing or general ledger population was complete.

No findings were noted as a result of applying the procedure above.

- 9) Using the disbursement population from agreed upon procedure number 8 above, we randomly selected 25 disbursements excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

No findings were noted as a result of applying the procedure above.

- 10) Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the person responsible for processing payments was prohibited from adding vendors to the entity's purchasing/disbursement system.

Upon applying the agreed upon procedures above, we noted that the cash disbursements policy did not include a policy prohibiting the person from processing payments from also adding vendors to the purchasing and disbursement system.

Management's Response:

This is due to staff size. We feel that we have alternative controls in place to prevent any misappropriations surrounding cash disbursements. On a monthly basis the board reviews all transactions. All checks are reviewed by a board member before signing and issuance.

- 11) Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

No findings were noted as a result of applying the procedure above.

- 12) We inquired of management and observed whether the supply of unused checks was maintained in a locked location, with access restricted to those persons that do not have signatory authority, and noted any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and determined whether the persons with signatory authority have system access to print checks.

No findings were noted as a result of applying the procedure above.

- 13) When signature stamp or signature machine was used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

No findings were noted as a result of applying the procedure above.

Credit Cards

- 14) We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We also obtained management's representation that the listing was complete.

No findings were noted as a result of applying the procedure above.

- 15) Using the listing prepared by management, we randomly selected one-third of the credit cards (the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
 - a) Determined whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Determined whether finance charges and/or late fees were assessed on the selected statements.

No findings were noted as a result of applying the procedures above.

- 16) Using the monthly statements or combined statements selected under agreed upon procedure number 15 above, we obtained supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

- a) For each transaction, we determined that the transaction was supported by:
 - i. An original itemized receipt (i.e., identifies precisely what was purchased).
 - ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - iii. Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e. transaction was a large or recurring purchase requiring the solicitation of bids or quotes) and noted any exceptions.
- c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.

No findings were noted as a result of applying the procedures above.

Travel and Expense Reimbursement

- 17) We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sorted/ filtered for travel reimbursements. We also obtained management's representation that the listing and general ledger was complete.

No findings were noted as a result of applying the procedure above.

- 18) We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and determined any amounts that exceed GSA rates.

No findings were noted as a result of applying the procedure above.

- 19) Using the listing from agreed upon procedure number 17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity did not have written policies, we

compared to the GSA rates (Number 18 above) and determined each reimbursement that exceeded those rates.

- b) We determined whether each expense was supported by:
 - i. An original itemized receipt that identified precisely what was purchased. (Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) did not require a receipt).
 - ii. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - iii. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.
- d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No findings were noted as a result of applying the procedures above.

Contracts

- 20) We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We also obtained management's representation that the listing or general ledger was complete.

No findings were noted as a result of applying the procedure above.

- 21) Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
 - a) Determined whether there was a formal/written contract that supported the services arrangement and the amount paid.
 - b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We determined whether each contract was subject to the Louisiana Public Bid Law or Procurement Code and:
 - i. If yes, we obtained/compared supporting contract documentation to legal requirements and determined whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

- ii. If no, we obtained supporting contract documentation and determined whether the entity solicited quotes as a best practice.
- c) Determined whether the contract was amended. If so, we determined the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and determined whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtained/reviewed contract documentation and board minutes and determined whether there was documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No findings were noted as a result of applying the procedures above.

Payroll and Personnel

- 22) We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing was complete. We randomly selected five employees/officials, obtained their personnel files, and:
- a) Reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

No findings were noted as a result of applying the procedures above.

- 23) We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected one-third of employees/officials and:
- a) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Determined whether there was written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Determined whether there was written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No findings were noted as a result of applying the procedures above.

- 24) We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list was complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No findings were noted as a result of applying the procedures above.

- 25) We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We determined whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No findings were noted as a result of applying the procedure above.

Ethics (Not Applicable for nonprofits)

Debt Service (Not Applicable for nonprofits)

Other

- 27) We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and determined whether the entity reported the misappropriation to the Legislative Auditor and the District Attorney of the parish in which the entity is domiciled.

No findings were noted as a result of applying the procedure above.

- 28) We observed and determined whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No findings were noted as a result of applying the procedure above.

- 29) When the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, the practitioner reported the nature of each exception.

No findings were noted as a result of applying the procedure above.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana