LULING VOLUNTEER FIRE DEPARTMENT, INC.
LULING, LOUISIANA

FINANCIAL REPORT

For the Year Ended December 31, 2023

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LULING VOLUNTEER FIRE DEPARTMENT, INC.
LULING, LOUISIANA

FINANCIAL REPORT

For the year ended December 31, 2023

TABLE OF CONTENTS

	Statement	Page
Financial Section		
Independent Auditor's Report		3
Basic Financial Statements:		
Government-wide Financial Statements		
Statement of Net Position	A	6
Statement of Activities	B	7
Fund Financial Statements		
Balance Sheet – Governmental Funds	C	8
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	D	9
Reconciliation of the Governmental Fund Balance Sheet to the Government-wide Statement of Net Position		10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		11
Notes to the Financial Statements		12

LULING VOLUNTEER FIRE DEPARTMENT, INC.
LULING, LOUISIANA

FINANCIAL REPORT

For the year ended December 31, 2023

	Schedule	Page
Required Supplementary Information		
Budgetary Comparison Schedule – General Fund	1	22
Other Supplemental Information		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	2	23
Reports by Management		
Summary Schedule of Prior Audit Findings	3	24
Corrective Action Plan for Current Year Audit Findings	4	25
Other Report Required By Government Auditing Standards		
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*		26

T.S. KEARNS & CO. CPA

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Luling Volunteer Fire Department, Inc.
Luling, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Luling Volunteer Fire Department, Inc. (the Department) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Luling Volunteer Fire Department, Inc. as of December 31, 2023 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

TIMOTHY S. KEARNS
MASTER OF BUSINESS ADMINISTRATION
CERTIFIED PUBLIC ACCOUNTANT

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BRANDY I. KEARNS
CERTIFIED IN FINANCIAL FORENSICS
CERTIFIED PUBLIC ACCOUNTANT

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison – general fund information on pages 22 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis information that the accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The other supplementary information on page 23 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024 on our consideration of the Department's internal control over financial reporting and on our test 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 Department's internal control over financial reporting and compliance.



Thibodaux, Louisiana
June 27, 2024

Basic Financial Statements

Government-Wide Financial Statements (GWFS)

LULING VOLUNTEER FIRE DEPARTMENT, INC.

LULING, LOUISIANA

STATEMENT OF NET POSITION

December 31, 2023

	Governmental Activites
Assets	
Current assets:	
Cash and cash equivalents	$ 1,406,691
Prepaid insurance	132,495
Due from government - sales tax	166,259
Total current assets	1,705,445
Noncurrent assets:	
Capital assets, not being depreciated	117,956
Capital assets, net of accumulated depreciation	2,039,319
Total noncurrent assets	2,157,275
Total Assets	3,862,720
Liabilities	
Current liabilities	
Accounts payable	22,238
Accrued payroll	2,763
Total current liabilities	25,001
Total Liabilities	25,001
Net Position	
Net investment in capital assets	2,157,277
Net Position - Unrestricted	1,680,442
Total Net Position	$ 3,837,719

The accompanying notes are an integral part of this statement

LULING VOLUNTEER FIRE DEPARTMENT, INC.

LULING, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position
Expenses:					
Governmental activities:					
Public safety - fire protection:					
Salaries and related benefits	$ 173,194	$ -	$ -	$ -	$ (173,194)
Repairs and maintenance	193,104	-	-	-	(193,104)
Professional services	25,024	-	-	-	(25,024)
Installation	6,819	-	-	-	(6,819)
Insurance	132,500	-	-	-	(132,500)
Fire prevention	1,650	-	-	-	(1,650)
Fuel	11,974	-	-	-	(11,974)
Supplies and materials	64,403	-	-	-	(64,403)
Utilities	42,362	-	-	-	(42,362)
Training	32,905	39,000	-	-	6,095
Personnel insurance and medical	40,815	-	-	-	(40,815)
Dues and memberships	2,125	-	-	-	(2,125)
Office expense	4,128	-	-	-	(4,128)
Meals	11,261	-	-	-	(11,261)
Miscellaneous	7,436	-	-	-	(7,436)
Interest expense	5,520	-	-	-	(5,520)
Depreciation expense	406,961	-	-	-	(406,961)
Total Governmental activities	$ 1,162,181	$ 39,000	$ -	$ -	$ (1,123,181)
General Revenues:					
Ad valorem tax					$ 314,740
Sales tax - 1/8 percent					862,645
Fire insurance rebate					101,453
Interest income					1,220
Rental income					7,170
Other revenues					13,203
Total general revenues					1,300,431
Special Items:					
Proceeds from sale of asset					3,000
Proceeds from insurance claim					27,246
Total special items					30,246
Change in net position					207,496
Net Position - Beginning (restated; see note 2)					3,630,223
Net Position - Ending					$ 3,837,719

The accompanying notes are an integral part of this statement

Basic Financial Statements

Fund Financial Statements (FFS)

LULING VOLUNTEER FIRE DEPARTMENT, INC.

LULING, LOUISIANA

Balance Sheet - Governmental Funds
December 31, 2023

	General Fund	Non-Public Fund (Non-major)	Total (Memo Only)
Assets			
Cash and cash equivalents	$ 1,290,996	$ 115,693	$ 1,406,689
Prepaid Insurance	132,495	-	132,495
Due from government - sales tax	166,259	-	166,259
Total Assets	1,589,750	115,693	1,705,443
Liabilities			
Current liabilities			
Accounts payable	22,237	-	22,237
Accrued payroll	2,763	-	2,763
Total Liabilities	25,000	-	25,000
Fund Balance			
Nonspendable - prepaid expenses	132,495		132,495
Unassigned	1,432,255	115,693	1,547,948
Total Fund Balance	1,564,750	115,693	1,680,443
Total Liabilities and Fund Balance	$ 1,589,750	$ 115,693	$ 1,705,443

The accompanying notes are an integral part of this statement

LULING VOLUNTEER FIRE DEPARTMENT, INC.

LULING, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund

For the Year Ended December 31, 2023

	General Fund	Non-Public Fund (Non-major)	Total (Memo Only)
Revenues			
Ad valorem tax	$ 314,740		$ 314,740
Sales tax - 1/8 percent	862,645		862,645
Training reimbursements	39,000		39,000
Fire insurance rebate	101,453		101,453
Rental income	-	$ 7,170	7,170
Interest income	885	335	1,220
Other revenues	13,047	157	13,204
Total revenues	1,331,770	7,662	1,339,432
Expenditures			
Public safety - fire protection:			
Current:			
Salaries and related benefits	173,194		173,194
Repairs and maintenance	193,104		193,104
Professional services	25,024		25,024
Installation	-	6,819	6,819
Insurance	132,500		132,500
Fire prevention	1,650		1,650
Fuel	11,974		11,974
Supplies and materials	64,403		64,403
Utilities	42,362		42,362
Training	32,905		32,905
Personnel insurance and medical	40,815		40,815
Dues and memberships	2,125		2,125
Office expense	4,128		4,128
Meals	11,261	-	11,261
Miscellaneous	-	7,436	7,436
Debt Service:			
Debt retirement	124,237		124,237
Interest expense	6,156		6,156
Capital Outlay	347,267		347,267
Total expenditures	1,213,105	14,255	1,227,360
Excess of revenues over/(under) expenditures	118,665	(6,593)	112,072
Other Financing Sources (Uses)			
Proceeds from sale of asset	3,000	-	3,000
Proceeds from insurance claims	27,246	-	27,246
Total other financing sources and uses	30,246	-	30,246
Excess (deficiency) of revenues and other sources Over expenditures and other uses	148,911	(6,593)	142,318
Fund Balance - Beginning (restated; see note 2)	1,416,811	121,314	1,538,125
Fund Balance - End of Year	$ 1,565,722	$ 114,721	$ 1,680,443

The accompanying notes are an integral part of this statement

LULING VOLUNTEER FIRE DEPARTMENT, INC.

LULING, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position

December 31, 2023

Total Fund Balances - Governmental Funds at December 31, 2023		$ 1,680,443
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activites are not current financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet. Those assets consist of:		
Land	117,956	
Buildings, net of $2,904,521 accumulated depreciation	1,016,775	
Vehicles, net of $3,107,254 accumulated depreciation	857,197	
Equipment, net of $1,925,847 accumulated depreciation	165,348	2,157,276
Total Net Position - Governmental activities at December 31, 2023		$ 3,837,719

The accompanying notes are an integral part of this statement

LULING VOLUNTEER FIRE DEPARTMENT, INC.

LULING, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2023

Total net changes in fund balances at December 31, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balances		$ 142,318
Total change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over there estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenue, Expenditures and Changes in Fund Balances	$ 347,267	
Depreciation expense for the year ended December 31, 2023	(406,961)	(59,694)
Governmental funds report debt services payments as expenditures. However; in the statement of activities the repayment of principal indebtedness reduces long-term liabilities and does not affect the statement of activites.		124,236
Under the modified accrual basis of accounting used in governmental funds, interest on long-term debt is not recognized until due, rather than as it accrues.		636
Change in Net Position - Governmental activities at December 31, 2023		$ 207,496

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

INTRODUCTION

The Luling Volunteer Fire Department, Inc. (the Department) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 101 (8). The Department is exempt from federal income tax under section 501(c)(4) of the Internal Revenue Code. Its objective is to provide fire protection to the Luling area, Fire Protection District No.2 of St. Charles Parish.

The Department receives funding from local and state government sources and must comply with the same requirements of these funding source entities. However, the Department is a "primary government" and is not included as a component unit of any other St. Charles Parish governmental "reporting entity" as defined in GASB pronouncements, since the entity is a non-profit corporation, and the board members have decision making authority, the power to designate management, the ability to significantly influence operations an primary accountability for fiscal matters. The Department includes all activities that are controlled by it as a quasi-public non-profit corporation organized to provide fire protection to the Parish of St. Charles. The Department has no component units.

The accounting and reporting policies of the Department conform to generally accepted accounting principles as applicable to governmental units.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of Luling Volunteer Fire Department, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the Fire Department are discussed below,

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

Government-Wide Financial Statements (GWFS)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Department's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue.

Fund Financial Statements (FFS)

The accounts of the Department are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance- related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Department is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The Department has one fund, a governmental fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Department is described below:

Governmental Fund - General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the Department and is used to account for the operations of the Department. General operating expenditures are paid from this fund.

Governmental Fund – Non-Public Fund

The purpose of the non-public fund is to account for funds collected by the Department from private sources such as donations. These funds are accounted for separately from the public funds which are held in the general fund.

B. Measurement Focus / Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Department reports deferred inflows of resources on its governmental fund balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Department has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Department has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.
When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Budgets and Budgetary Accounting

The Department prepares a budget for its General fund which is approved by its board of directors. The budget is reviewed monthly by the finance committee and quarterly by the full membership and compared to actual expenditures for use in managing expenditures.

D. Encumbrances

The Department does not use encumbrance accounting.

E. Cash and Interest-bearing Deposits

Under state law, the Department may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts and certificates of deposit with an original maturity of less than 90 days, and are stated at cost, which approximates fair market value.

F. Investments

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

The Department's only investments are certificates of deposit, with an original maturity of greater than 90 days, which are stated at cost, which approximates market. Investments in certificates of deposit are reported at cost because they are "nonparticipating" interest-earning investment contracts as discussed in GASB 31. The term "nonparticipating" means that the investment value does not vary with market interest rate changes. Investments which include securities traded on a national or international exchange are valued based on their last reported sales price (fair value). Investments that do not have an established market are reported at estimated fair value.

G. Prepaid Expenditures

Payments made for goods and services that will benefit periods beyond the current year end have been recorded as prepaid expenditures.

H. Receivables

The Department considers all receivables to be collectible within the next 60 days; therefore, no allowance has been established for doubtful accounts. If uncollectible amounts are identified, necessary adjustments are made when information becomes available. These amounts are not considered to be material to the financial statements.

I. Inventories

Physical inventories consist of expendable supplies held for consumption. Because inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

J. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows

and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Capital Assets

Capital assets, which include property, vehicles, and equipment, purchased or acquired with an original cost of $1,000 or more are reported at historical cost or estimated historical cost. Donated assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Description	Estimated Lives
Buildings	10-40 years
Equipment	5-15 years
Vehicles	5-15 years

In the fund financial statements, capital assets used in the Department's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

M. Long-Term Obligations

In the government-wide financial statements, debt and principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt and principal payments of governmental funds are recognized as expenditures when paid.

N. Equity Classifications

In the Government-Wide Financial Statements, the difference between a government's assets and liabilities is recorded as net position. The three components of net position are as follows:

1. Net Investment in Capital Assets This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

2. Restricted Net Position Net positions that are restricted by external sources such as creditors, grantors, contributors, or by law through either enabling legislation or constitutional provisions are reported separately as restricted net position. When assets are required to be retained in

perpetuity, these non-expendable net positions are recorded separately from expendable net positions. These are components of restricted net positions.

3. Unrestricted Net Position All other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the Fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

1. Nonspendable Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Department has prepaid insurance which is considered *nonspendable* fund balance on the fund financial statements.

2. Restricted Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

3. Committed Amounts that can be used only for specific purposes determined by a formal decision of the Board.

4. Assigned Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes by a decision of the Board.

5. Unassigned All other spendable amounts.

When an expenditure is incurred for the purposed for which both restricted and unrestricted fund balance is available, the Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

NOTE 2. PRIOR PERIOD ADJUSTMENT

Prior period adjustments were made to restate Net Position, Fund Balance, Deferred Inflows of Resources, and Ad Valorem tax receivable. An adjustment was made to decrease (debit) Net Position/Fund Balance by $297,000, decrease (debit) Deferred Inflows of Resources by $24,494, decrease (credit) Ad Valorem tax receivable by $321,494. It was determined that a receivable and deferred inflow should not be reported for ad valorem tax as it does not meet the requirements under GASB reporting standards.

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2023, the Department has cash and cash equivalents (book balances) totaling $1,406,691, as follows:

Demand Deposits	$ 1,252,952
Time and savings deposits	153,739
Total	$ 1,406,691

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

NOTE 4. CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Department's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Department or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2023, in the amount of $1,451,967 were secured with $383,693 of federal deposit insurance. The remaining $1,068,274 were secured by pledged securities owned by the fiscal agent bank. There were no amounts unsecured at year end. The Department does not have a policy for custodial credit risk.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance at 12/31/2022	Additions	Deletions	Balance at 12/31/2023
Capital assets; not being depreciated:				
Land	$ 117,956	$ -	$ -	$ 117,956
Total	117,956	-	-	117,956
Capital assets, being depreciated:				
Equipment	2,029,187	62,007	-	2,091,194
Buildings	3,745,144	176,154	-	3,921,298
Vehicles	3,864,001	109,106	(8,655)	3,964,452
Total	9,638,332	347,267	(8,655)	9,976,944
Less: accumulated depreciation	(7,539,317)	(406,961)	8,655	(7,937,623)
Total capital, assets being depr; net	2,099,015	(59,694)	-	2,039,321
Total capital assets, net	$ 2,216,971	$ (59,694)	$ -	$ 2,157,277

Depreciation expense for the year of $406,961 was charged to public safety.

NOTE 6. LEASE OBLIGATIONS

In September 2019, the Department entered into a lease agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the acquisition of two E-1 Pumpers. The terms were for four years with an interest rate of 2.79%. The Department is required to pay an annual payment of $127,703 with a final payment on October 25, 2023. The note is secured by two fire apparatuses.

A summary of the changes in lease obligations of the department is as follows:

Payable at December 31, 2022	$ 124,237
Additions	-
Reductions	(124,237)
Payable at December 31, 2023	$ -

During the year, the department paid $124,237 in principal and $6,156 interest expense. The final payment is due within one year. It is management's intention to retain the two pumpers in accordance with the lease agreement.

The two pumpers are included in property and equipment as fire protection vehicles. At December 31, 2023, the cost and accumulated depreciation under the lease was $903,622 and $451,811, respectively. Depreciation expense was $90,362 for the year ended December 31, 2023.

The department had no short-term obligations in 2023.

NOTE 7. FIRE PROTECTION CONTRACT – AD VALOREM TAX

An agreement was signed in December 1990, between the St. Charles Parish Council and the St. Charles Firemen's Association to provide fire protection for the St. Charles Parish area. The agreement states that in exchange for fire protection for the entire parish, the Parish Council agrees to distribute a 1.6 mill tax levy evenly to all members of the St. Charles Parish Firemen's Association. The Department's share of this ad valorem tax for the year ended December 31, 2023 was $314,740.

NOTE 8. FIRE PROTECTION CONTRACT – SALES TAXES

An agreement was signed in July 1980, between the St. Charles Parish Council and the St. Charles Firemen's Association to provide fire protection for the St. Charles parish area. Consideration for this agreement is a sales tax of one-eighth of one percent which is collected by the St. Charles Parish School Board and administered by the Parish President. The sales tax is to be used for the fire protection of the Parish of St. Charles. The funds are distributed monthly by the Parish President to the individual fire departments of the St. Charles Parish Firemen's Association, Inc. Effective April 4, 2011 (Ord#11-4-4), the sales tax is distributed on the following basis:

Department	Basis	Funds
Bayou Gauche Volunteer Fire Dept., Inc.	$2,500	3.78%
Des Allemands Volunteer Fire Dept., Inc.	$2,500	4.10%
East Side St. Charles Volunteer Fire Dept., Inc.	$2,500	22.72%
Hahnville Volunteer Fire Dept., Inc.	$2,500	7.00%
Killona Volunteer Fire Dept. Inc.	$2,500	1.47%
Luling Volunteer Fire Dept., Inc.	$2,500	30.85%
Norco Area Volunteer Fire Dept., Inc.	$2,500	9.81%
Paradis Volunteer Fire Dept., Inc.	$2,500	4.93%
St. Rose Volunteer Fire Dept., Inc.	$2,500	15.34%

The Department receives a monthly base amount of $2,500 in sales tax plus 30.85% of the remaining funds. The total revenue under this agreement for the year ended 2023, was $862,645.

Due from government – sales taxes at December 31, 2023 of $166,259, consists of the Department's share of the 1/8th cent sales tax for the months of November and December 2023, collected by the St. Charles Parish School Board and remitted by St. Charles Parish in January and February 2024.

NOTE 9. RETIREMENT PLAN

Luling Volunteer Fire Department, Inc. maintains a defined contribution profit sharing plan, the Luling Fire Department 401(k) Profit Sharing Plan and Trust, for the benefit of the employees of the Fire Department. Employees must be 21 years of age and have one year of service to participate. The Fire Department may make a profit-sharing contribution at its discretion. Employer contributions for the year ended December 31, 2023 totaled $2,584. The Plan has no forfeitures for the year ended December 31, 2023.

NOTE 10. RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illnesses or injuries to its volunteers; and natural disasters. The Department has purchased commercial insurance to cover or reduce the risk of loss. No settlements were made during the current or prior three fiscal years that exceeded the Department's insurance coverage.

NOTE 11. INCOME TAXES

The Fire Department is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. It is exempt from Louisiana income tax under the authority of R.S. 47:121(7). The Fire Department's evaluation as of December 31, 2023 revealed no tax positions that would have a material impact on the financial statements. The 2020 through 2023 tax years remain subject to examination by the IRS. The Fire Department does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

NOTE 12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 27, 2024, which is the date the financial statements were available to be issued.

NOTE 13. LITIGATION AND CLAIMS

At December 31, 2023, the Department had no litigation or claims pending.

Required Supplemental Information

LULING VOLUNTEER FIRE DEPARTMENT, INC.
LULING, LOUISIANA

Budget Comparison Schedule
General Fund - Non-GAAP (Cash) Basis
For the Year ended December 31, 2023

	Original / Final Budget	Actual	Variance - favorable (unfavorable)
Revenues:			
Ad valorem tax	$ 200,000	$ 416,193	$ 216,193
Sales tax	560,000	879,282	319,282
Training center	25,000	39,000	14,000
Interest	500	885	385
Other revenue	65,000	43,295	(21,705)
Total revenues	$ 850,500	$ 1,378,655	$ 528,155
Expenditures:			
Repairs and maintenance	$ 357,650	$ 237,836	$ 119,814
Professional fees	36,000	20,754	15,246
Insurance	140,000	134,876	5,124
Fuel	25,000	11,974	13,026
Fire prevention	15,000	3,300	11,700
Supplies and materials	70,000	97,506	(27,506)
Utilities and telephone	40,000	42,871	(2,871)
Personnel	472,000	225,540	246,460
Training	73,350	32,912	40,438
Dues and subscriptions	5,500	2,125	3,375
Office expense	8,500	4,518	3,982
Meals	15,000	13,242	1,758
Debt service	-	171,269	(171,269)
Capital outlay	755,000	275,039	479,961
Total expenditures	$ 2,013,000	$ 1,273,761	$ 739,239
Excess (deficiency) of revenues over expenditures	(1,162,500)	104,894	
Fund balance, beginning	not budgeted	1,835,125	
Fund balance, ending	not budgeted	1,940,019	

The accompanying notes are an integral part of this statement.

SUPPLEMENTAL INFORMATION

LULING VOLUNTEER FIRE DEPARTMENT, INC.
LULING, LOUISIANA

For the Year Ended December 31, 2023

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

Barry Minnich, Chief

Purpose	Amount
Salary	0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	$249
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Others (Uniforms/Gear)	0

This form is used to satisfy the reporting requirements of R.S. 24:513(A)(3). Under those requirements, only payments made with public funds are required to be reported.

Reports by Management

LULING VOLUNTEER FIRE DEPARTMENT, INC.

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

Section I – Internal Control and Compliance Material to the Financial Statements:

Ref. No.	2022-01
Description of Finding:	Non-Compliance with Louisiana's financial reporting laws R.S. 24:513 and 24:514 The Fire Department failed to comply with Louisiana's financial reporting laws (R.S. 24:513 and 24:514) by submitting this required report to the state approximately six weeks after the required deadline.
Corrective Action Taken:	The Department placed procedures in place to gather information needed in an appropriate amount of time.

Section II – Management Letter:

A management letter was not issued in the prior year.

LULING VOLUNTEER FIRE DEPARTMENT, INC.

Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2023

Section I – Internal Control and Compliance Material to the Financial Statements:

No current year findings.

Section II – Management Letter:

A management letter was not issued in the current year.

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

T.S. KEARNS & CO. CPA

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

To the Luling Volunteer Fire Department, Inc.
Luling, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Luling Volunteer Fire Department, Inc. (the Department), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated June 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

TIMOTHY S. KEARNS
MASTER OF BUSINESS ADMINISTRATION
CERTIFIED PUBLIC ACCOUNTANT

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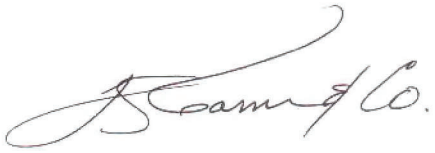
BRANDY I. KEARNS
CERTIFIED IN FINANCIAL FORENSICS
CERTIFIED PUBLIC ACCOUNTANT

Report on Compliance and Other Matters

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

Purpose of this Report

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



Thibodaux, Louisiana
June 27, 2024



LULING VOLUNTEER FIRE DEPARTMENT, INC.

Luling, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Louisiana Legislative Auditor's
Statewide Agreed-Upon Procedures

Year Ended December 31, 2023

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Luling Volunteer Fire Department, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2023 through December 31, 2023. The Luling Volunteer Fire Department's (the Department) management is responsible for those C/C areas identified in the SAUPs.

The Luling Volunteer Fire Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 01, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

Not applicable to a nonprofit organization.

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.

Exception noted. The written policy contains all criteria above with the exception of how vendors will be added to the vendor list.

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

Exceptions noted. The Department has no written policy for this area.

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).

Exception noted. The Department has no written policy for this area.

v. ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Exception noted. The Department has no written policy for this area.

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.

Exception noted. The Department has no written policy for this area.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Exception noted. The Department follows the St. Charles Parish Firemen's Association's written policy for Travel and Expense Reimbursement which addresses all of the above areas except for (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).

No exceptions noted.

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.

Not applicable to a nonprofit organization.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exception noted. The Department has no written policy for this area.

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.

Exception noted. The Department has no written policy for this area.

xii. ***Prevention of Sexual Harassment,*** including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable to a nonprofit organization.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

i. Observe that the board/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.

No exceptions noted.

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, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

No exceptions noted.

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

Not applicable.

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.

No exceptions noted.

3) Bank Reconciliations

A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained a list of bank accounts from management and management provided representation that the listing is complete.

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

No exceptions noted.

ii. Bank reconciliations include written evidence that a member of management/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, electronically logged); and

No exceptions noted.

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

Exceptions noted. There were fourteen outstanding items over 12 months old and no evidence that they have been researched.

4) Collections (excluding electronic funds transfers)

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

Obtained a list of deposit sites from management and management provided representation that the listing is complete.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (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;

No exceptions noted.

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;

Exception noted. The same person collects the mail/checks and prepares the bank deposits.

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; and

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

i. Observe that receipts are sequentially pre-numbered.

Not applicable. There are no cash receipts collected.

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

No exceptions noted.

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

No exceptions noted.

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).

Exceptions noted. There was no documentation of a received date on the supporting documents; therefore, this could not be tested. However, the time between the check dates and the deposit dates was about a week in both cases. Considering the time necessary to mail the checks, it would indicate timely deposits.

v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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

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

Obtained a list of disbursement locations from management and management provided representation that the listing is complete.

B. For each location selected under procedure #5A 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;

No exceptions noted.

ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

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;

Exceptions noted. The person responsible for processing payments can add/modify vendor files and another person is not responsible for 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; and

No exceptions noted.

v. Only employee/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.

Exception noted. There is one person approving the electronic disbursements; however this is person is not authorized to sign checks.

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

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

No exceptions noted.

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

No exceptions noted.

D. 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 (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. 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.

Exception noted. Support was obtained for five electronic disbursements and approval noted for each disbursement. However, the person who approves the disbursements is not an authorized check signor. Also, there are two persons required to sign checks, the electronic disbursements have only one approval.

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

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained a list of credit cards from management and management provided representation that the listing is complete.

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

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

      No exceptions noted.

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

      Exceptions noted. Finance charges and late fees were assessed on the selected statement.

C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

   Exception noted. There was one credit card charge without supporting documentation or a "missing receipts" documentation. The charge was to Amazon for $59.07.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

Obtained management's representation that there were no travel and travel-related expense reimbursements paid with public funds during the year.

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 (www.gsa.gov);
ii. If reimbursed using actual costs, 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, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

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

Obtained management's representation that there were no contracts initiated or renewed during the fiscal period other than the practitioner's contract.

i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
iii. If the contract was amended (e.g., change order), 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, the documented approval); and
iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Not applicable. No contracts in place during the fiscal year.

9) Payroll and Personnel

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

Obtained a list of employees and officials from management and management provided representation that the listing is complete.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A 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);

No exceptions noted.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

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

No exceptions noted.

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

Not applicable. There were no employees terminated this fiscal year requiring termination payments.

D. 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.

No exceptions noted.

10) Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
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.

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

Not applicable to a nonprofit organization.

11) Debt Service

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

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

Not applicable to a nonprofit organization.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that

the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions noted.

B. 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.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedure and discussed the results with management.

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 observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

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 select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

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

Not applicable. No terminated employees during the year.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with *access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:*
   - *Hired before June 9, 2020 - completed the training; and*
   - *Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.*

Exception noted. The board was unaware of the training requirement. There were no personnel who obtained the training in 2023.

14) Prevention of Sexual Harassment

A. 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.

B. Observe 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).

C. 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 it 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.

Not applicable to a nonprofit organization.

Managements Response: The Department's management agrees with all exceptions and will continue to work to improve processes to ensure effective and efficient handling of all transactions and compliance with all requirements.

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

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

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



Thibodaux, Louisiana
June 27, 2024