

FINANCIAL REPORT
THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
DECEMBER 31, 2024 AND 2023

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT

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INDEPENDENT AUDITOR'S REPORT

June 23, 2025

Board of Directors
Third District Volunteer Fire Department
10423 Jefferson Highway
River Ridge, Louisiana 70123

Opinion

We have audited the accompanying financial statements of Third District Volunteer Fire Department ("the Department") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Department as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Third District Volunteer Fire 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 opinion.

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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 the 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 Third District Volunteer Fire Department's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Third District Volunteer Fire 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 Third District Volunteer Fire 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head or chief executive officer 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 23, 2025 on our consideration of Third District Volunteer Fire Department's internal control over financial reporting and 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 our testing, and not to provide an opinion on the 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 Third District Volunteer Fire Department's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Duplantier, Hapman, Hogan & Roter LLP". The signature is written in a cursive, flowing style.

New Orleans, Louisiana

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS:		
Cash	\$ 232,200	\$ 339,565
Other receivables	275	8,832
Prepaid expenses	<u>174,015</u>	<u>94,382</u>
Total current assets	<u>406,490</u>	<u>442,779</u>
USE OF ASSETS - NET	3,746,142	4,119,604
OTHER ASSETS		
Length of Service Program	<u>625,862</u>	<u>605,617</u>
TOTAL ASSETS	\$ <u><u>4,778,494</u></u>	\$ <u><u>5,168,000</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 7,159	\$ 144,678
Accrued wages and payroll taxes	137,448	122,843
Annual leave	182,226	169,720
Accrued pension expense	306,084	275,942
Line of credit, net	<u>284,905</u>	<u>-</u>
Total current liabilities	<u>917,822</u>	<u>713,183</u>
LONG-TERM LIABILITIES:		
Accrued postretirement benefits	<u>655,025</u>	<u>675,001</u>
Total long-term liabilities	<u>655,025</u>	<u>675,001</u>
TOTAL LIABILITIES	<u>1,572,847</u>	<u>1,388,184</u>
NET ASSETS:		
Without donor restrictions	<u>3,205,647</u>	<u>3,779,816</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>4,778,494</u></u>	\$ <u><u>5,168,000</u></u>

See accompanying notes.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES AND OTHER SUPPORT:		
Fire Protection District No. 3 Contract Fees:		
Ad valorem taxes	\$ 4,176,000	\$ 3,618,876
Capital funds	336,781	741,388
Service charge	-	340,008
Insurance rebate	241,929	240,014
Donated firefighting services	34,100	47,300
Donations	3,115	19,333
State appropriations	-	150,000
Interest income	11,243	13,914
Miscellaneous	<u>107,407</u>	<u>85,306</u>
Total revenues and other support	<u>4,910,575</u>	<u>5,256,139</u>
EXPENSES:		
Program services:		
Firefighting	5,277,410	5,199,208
Supporting services:		
General and administrative	<u>207,334</u>	<u>240,916</u>
Total expenses	<u>5,484,744</u>	<u>5,440,124</u>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(574,169)	(183,985)
Net assets without donor restrictions - Beginning of year	<u>3,779,816</u>	<u>3,963,801</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ <u><u>3,205,647</u></u>	\$ <u><u>3,779,816</u></u>

See accompanying notes.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Firefighting</u>	<u>General and Administrative</u>	<u>Total</u>
Amortization	\$ -	\$ 9,905	\$ 9,905
Beverages	2,370	50	2,420
Breathing apparatus	8,419	-	8,419
Depreciation	368,294	7,789	376,083
Donated firefighting services	34,100	-	34,100
First aid supplies	16,656	-	16,656
Insurance	307,800	6,488	314,288
Interest	-	27,181	27,181
Legal and accounting	-	71,093	71,093
Maintenance materials	51,638	-	51,638
Major repairs and maintenance	64,032	1,350	65,382
Manpower	3,858,876	81,359	3,940,235
Miscellaneous	14,781	286	15,067
Oil and gas	40,058	-	40,058
Operating materials	46,419	-	46,419
Personal safety equipment	118,042	-	118,042
Stationery and office supplies	4,981	105	5,086
Training	38,886	-	38,886
Travel, awards and banquet	7,073	149	7,222
Uniforms	1,542	-	1,542
Utilities	74,927	1,579	76,506
Vehicle maintenance	207,346	-	207,346
Wellness program	11,170	-	11,170
	<u>5,277,410</u>	<u>207,334</u>	<u>5,484,744</u>
TOTAL	\$ <u>5,277,410</u>	\$ <u>207,334</u>	\$ <u>5,484,744</u>

See accompanying notes.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Firefighting</u>	<u>General and Administrative</u>	<u>Total</u>
Beverages	\$ 9,002	\$ 279	\$ 9,281
Breathing apparatus	8,357	-	8,357
Depreciation	365,937	11,333	377,270
Donated firefighting services	47,300	-	47,300
First aid supplies	17,597	-	17,597
Insurance	259,100	8,024	267,124
Legal and accounting	-	97,043	97,043
Maintenance materials	53,567	-	53,567
Major repairs and maintenance	88,990	2,756	91,746
Manpower	3,870,229	118,192	3,988,421
Miscellaneous	20,558	637	21,195
Oil and gas	44,056	-	44,056
Operating materials	44,417	-	44,417
Personal safety equipment	48,459	-	48,459
Stationery and office supplies	6,218	193	6,411
Training	11,818	-	11,818
Travel, awards and banquet	7,788	241	8,029
Uniforms	3,601	-	3,601
Utilities	71,620	2,218	73,838
Vehicle maintenance	216,416	-	216,416
Wellness program	4,178	-	4,178
	<u>4,178</u>	<u>-</u>	<u>4,178</u>
TOTAL	\$ <u>5,199,208</u>	\$ <u>240,916</u>	\$ <u>5,440,124</u>

See accompanying notes.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	\$ (574,169)	\$ (183,985)
Adjustments to reconcile increase (decrease) in net assets to cash provided (used) by operating activities:		
Depreciation	376,083	377,270
Changes in operating assets and liabilities:		
(Increase) Decrease in prepaid expenses	(79,633)	31,299
(Increase) decrease in other receivables	8,557	(8,832)
Increase in other assets	(20,245)	(20,579)
Increase (decrease) in accounts payable	(137,519)	115,240
Increase in accrued wages and payroll taxes	14,605	29,240
Increase in annual leave payable	12,506	2,593
(Decrease) Increase in accrued postretirement benefits	(19,976)	38,155
Increase (decrease) in accrued pension expense	30,142	(7,758)
Net cash provided by (used) in operating activities	<u>(389,649)</u>	<u>372,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(2,621)</u>	<u>(326,756)</u>
Net cash used in investing activities	<u>(2,621)</u>	<u>(326,756)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds on line of credit	484,905	-
Payments on line of credit	<u>(200,000)</u>	<u>-</u>
Net cash provided in financing activities	<u>284,905</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(107,365)	45,887
Cash at beginning of year	<u>339,565</u>	<u>293,678</u>
CASH AT END OF YEAR	<u>\$ 232,200</u>	<u>\$ 339,565</u>
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash was paid for the following:		
Interest	\$ <u>27,181</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

ORGANIZATION:

The Third District Volunteer Fire Department (the fire department) was organized in 1951 and provides the citizens of the Fire Protection District No. 3 of Jefferson Parish with fire protection and related services. The fire department is under a 10-year contract with Jefferson Parish to provide fire protection to the Third District. The contract expires December 1, 2027. The majority of the fire department's revenue is derived from this contract. At December 31, 2024 the department was operating four stations with 60 paid employees and approximately 15 volunteers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of Accounting and Presentation:

The financial statements of the fire department are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

The fire department is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor-imposed restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets. As of December 31, 2024 and 2023, the fire department had only net assets without restrictions.

Allocation of Expenses:

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

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

General and administrative consists of general administrative expenses incurred.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue:

Substantially all of the fire department's revenue is derived from funds provided by the Fire Protection District No. 3 of Jefferson Parish to provide firefighting and rescue services to the designated area of the Third Fire Protection District and is considered to be an exchange transaction within the scope of ASC Topic 606, *Revenue from Contracts with Customers*. The Parish pays the fire department monthly installments, which represent the net proceeds of millage levied annually on the assessed valuation of property in the Third Fire Protection District. Revenue is recognized as the services are performed monthly. Also during December 31, 2024 and 2023, the fire department received funds allocated from the Parish for the payment of insurance premiums and the purchase of equipment and vehicles in the amount of \$336,781 and \$741,388, respectively. Other sources of revenues include contributions, insurance proceeds and interest. These other sources of revenue are recorded when received.

In addition, the fire department routinely receives revenue from insurance rebates. The amount is received annually from the State of Louisiana through Jefferson Parish. The amount received is based on the number of homes within the fire district and totaled \$241,929 and \$240,014 for 2024 and 2023, respectively.

Cash:

For purposes of the statements of cash flows, the fire department considers all short-term investments purchased with a maturity of three months or less to be cash equivalents. A detail of cash at December 31, 2024 and 2023 was as follows:

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 500	\$ 500
Cash in banks	<u>231,700</u>	<u>339,065</u>
	<u>\$ 232,200</u>	<u>\$ 339,565</u>

Donated Services:

Many volunteers have donated significant amounts of their time to the fire department's firefighting program services. These services include responding to emergencies and answering calls. The value of these donated services that are included in the financial statements and the corresponding expenses for the years ended December 31, 2024 and 2023 was \$34,100 and \$47,300, respectively.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Assets:

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

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

2. USE OF ASSETS:

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

December 31, 2024

	<u>1/1/24</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/24</u>
Land	\$ 948,461	\$ -	\$ -	\$ 948,461
Buildings	2,504,528	-	-	2,504,528
Firefighting equipment	894,346	2,621	-	896,967
Radios	566,280	-	-	566,280
Office equipment	104,762	-	-	104,762
Vehicles	4,711,905	-	-	4,711,905
Total use of assets	9,730,282	2,621	-	9,732,903
Less accumulated depreciation	(5,610,678)	(376,083)	-	(5,986,761)
Total use of assets, net of depreciation	<u>\$ 4,119,604</u>	<u>\$ (373,462)</u>	<u>\$ -</u>	<u>\$ 3,746,142</u>

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

2. USE OF ASSETS: (Continued)

December 31, 2023

	<u>1/1/23</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/23</u>
Land	\$ 948,461	\$ -	\$ -	\$ 948,461
Buildings	2,504,528	-	-	2,504,528
Firefighting equipment	778,298	116,048	-	894,346
Radios	542,142	24,138	-	566,280
Office equipment	104,762	-	-	104,762
Vehicles	4,525,335	186,570	-	4,711,905
Total use of assets	9,403,526	326,756	-	9,730,282
Less accumulated depreciation	(5,233,408)	(377,270)	-	(5,610,678)
Total use of assets, net of depreciation	<u>\$ 4,170,118</u>	<u>\$ (50,514)</u>	<u>\$ -</u>	<u>\$ 4,119,604</u>

3. INCOME TAXES:

The fire department is exempt from income taxes under the Internal Revenue Code 501(c)(3). The fire department's Federal Return of Organization Exempt from Income Tax (Form 990) for 2024, 2023, 2022, and 2021 remain open and subject to examination by taxing authorities.

4. ANNUAL LEAVE PAYABLE:

All full-time employees of the Third District Volunteer Fire Department accumulate annual leave, which is accrued based on years of service and the employee's current rate of pay. At termination of employment, compensation will be paid for all annual leave hours remaining on the books at the employee's straight time rate. No compensation will be paid for any sick leave remaining at termination of employment. As of December 31, 2024 and 2023, the annual leave payable was \$182,226 and \$169,720, respectively.

5. DEFINED CONTRIBUTION PLAN:

The fire department sponsors a defined contribution plan that covers all employees who have accumulated at least 1,000 service hours annually.

Contributions to the plan are based on 12% of the gross wages paid by the fire department and the supplemental wages received from the State of Louisiana.

For the years ended December 31, 2024 and 2023, the fire department accrued \$306,084 and \$275,942, respectively, to be contributed to the plan in the following year.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

6. CONCENTRATIONS:

At various times during 2024 and 2023, the fire department had cash on deposit and cash equivalents in excess of FDIC insurance limits. As of December 31, 2024 and 2023 all balances were fully insured.

The fire department also has a promontory insured cash sweep (ICS) which is used to maintain a certain balance in the operating cash account by moving cash back and forth as needed to maintain that balance. Deposits in promontory ICS accounts are spread among other banks within the promontory network so that no balances at any one bank are above FDIC coverage.

7. 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.

8. DEFINED BENEFIT PLAN:

The fire department has a nonqualified defined benefit plan covering substantially all of its volunteers. The plan is noncontributory and is administered by a trustee. An actuarial valuation of the plan is prepared annually. The assumed interest rate used in the valuation was 4.25% for each of the years ended December 31, 2024 and 2023. Contributions to the plan by the fire department were \$31,621 and \$27,600 for 2024 and 2023, respectively. The expected contribution for 2025 is \$28,748. The amount of cash held by the insurance company to fund this plan for the years ended December 31, 2024 and 2023 was \$625,862 and \$605,617, respectively.

The benefits are based on years of volunteer service to the fire department at \$10.00 per month up to thirty years of service for 2024 and 2023. The maximum benefit per month under this benefit formula is \$300 for 2024 and 2023. The participant vests after five years of service and is entitled to benefits at age 60. Benefits paid to plan participants were \$31,782 and \$24,120 for the years ended December 31, 2024 and 2023, respectively.

FASB ASU 2017-07 requires an employer to report the service cost component separately from other components of net benefit cost. The service cost component is reported in the same line of the statement of functional expenses where they report compensation cost. The other components of net benefit cost are reported as other expenses.

Service costs are included in the statements of activities as follows:

	<u>2024</u>	<u>2023</u>
Manpower	\$ <u>14,636</u>	\$ <u>69,014</u>

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. DEFINED BENEFIT PLAN: (Continued)

The net periodic benefit cost for the defined benefit plan for the years ended December 31 as follows:

	<u>2024</u>	<u>2023</u>
Service cost	\$ 14,636	\$ 69,014
Other components of cost:		
Investment income	(17,450)	(16,977)
Administrative fee	<u>1,950</u>	<u>1,940</u>
Total other components	<u>(15,500)</u>	<u>(15,037)</u>
Net periodic benefit cost	<u>\$ (864)</u>	<u>\$ 53,977</u>

The annual measurement date is December 31st for the retirement benefits. The following table provides further information about the fire department's postretirement plan:

Obligations and Funded Status:

	<u>2024</u>	<u>2023</u>
Actuarial present value of accrued benefits for services rendered to date:		
Vested	\$ 653,191	\$ 664,026
Non-vested	<u>1,834</u>	<u>10,975</u>
	<u>\$ 655,025</u>	<u>\$ 675,001</u>
	<u>2024</u>	<u>2023</u>
Actuarial present value of accrued benefit obligation at December 31	\$ (655,025)	\$ (675,001)
Employer contributions	31,621	27,600
Benefit payments	(31,782)	(24,120)
Loss (gain) on investments	161	(3,480)
Fair value of plan assets (included in other assets on the statements of financial position) at December 31	<u>625,862</u>	<u>605,617</u>
Plan assets in deficit of projected benefit obligation		
Unfunded status	<u>\$ (29,163)</u>	<u>\$ (69,384)</u>

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. DEFINED BENEFIT PLAN: (Continued)

Obligations and Funded Status: (Continued)

Amounts recognized in the statements of financial position at December 31, 2024 and 2023 consist of:

	<u>2024</u>	<u>2023</u>
Noncurrent assets	\$ 625,862	\$ 605,617
Noncurrent liabilities	<u>(655,025)</u>	<u>(675,001)</u>
	<u>\$ (29,163)</u>	<u>\$ (69,384)</u>

Assumptions:

Weighted-average assumptions used to determine benefit obligations at December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Discount rate	4.25%	4.25%
Expected return on plan assets	4.25%	4.25%

In the December 31, 2024 and 2023 actuarial valuations, the entry age normal method was used.

9. EXPENSES PAID BY OTHERS:

The full-time firefighters of the fire department receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. The amount of pay received varies based on years of service. These supplemental state funds are received through the fire department, and the department pays the taxes on them. As these supplemental state funds are paid directly to the firefighters, and do not pass through the Company, they are not included in these financial statements. The amount of supplemental pay paid to firefighters during the years ended December 31, 2024 and 2023 was \$196,780 and \$171,617, respectively.

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

At December 31, 2024 the fire department had \$232,475 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash in the amount of \$232,200 and other receivables in the amount of \$275.

At December 31, 2023 the fire department had \$348,397 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash in the amount of \$339,565 and other receivables in the amount of \$8,832.

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. STATE APPROPRIATIONS:

Act 560 of the 2023 Regular Legislative Session of the Louisiana Legislature provides a supplemental appropriation for Third District Volunteer Fire Department in the amount of \$150,000. The funds were awarded to the Department to create an updated learning environment by equipping the training room with needed equipment and furniture, purchase furniture for the office and board room, and replace outdated bunker gear and equipment for firefighters. This appropriation was received during the year ended December 31, 2023.

12. LINE OF CREDIT:

On March 28, 2024, the Department opened a line of credit in the amount of \$500,000. The note matures on March 28, 2025 with a variable interest rate based on the prime rate plus .75 percentage points with interest payments due monthly until the note is paid in full. The Department incurred a closing cost of \$13,207, which is being amortized over the life of the loan. As of December 31, 2024, the remaining unamortized portion of the closing cost totaled \$3,302. This amount is netted against the balance of the loan on the financial statements. As of December 31, 2024, the Department made additional drawdowns totaling \$475,000 and repayments totaling \$200,000. The balance on the line of credit at December 31, 2024 was \$288,207. Interest payments made on the loan during the year ended December 31, 2024 totaled \$27,181.

13. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through June 23, 2025, which is the date on which the financial statements were available to be issued, and determined no events occurred that would have significantly affected these financial statements.

SUPPLEMENTARY INFORMATION

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency head name: Brad Migliore, Fire Chief

<u>Purpose</u>	<u>Amount</u>
Reimbursements (cell phone)	\$ <u>50</u>
	\$ <u><u>50</u></u>



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

June 23, 2025

To the Board of Directors
Third District Volunteer Fire Department

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 Third District Volunteer Fire Department (a Louisiana nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Third District Volunteer Fire 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 Third District Volunteer Fire Department'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 Third District Volunteer Fire Department'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 Legislature Auditor as a public document.

Duplantier, Hopmann, Hogan & Rotter LLP

New Orleans, Louisiana

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
SCHEDULE OF FINDINGS
DECEMBER 31, 2024

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Third District Volunteer Fire Department for the year ended December 31, 2024 was unmodified.
2. Internal Control
Material weaknesses: none
Significant deficiency: none
3. Compliance and Other Matters
Noncompliance material to financial statements: none

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

NONE

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

PRIOR YEAR AUDIT FINDING:

NONE

THIRD DISTRICT VOLUNTEER
FIRE DEPARTMENT

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR
JANUARY 1, 2024 THROUGH DECEMBER 31, 2024

THIRD DISTRICT VOLUNTEER FIRE DEPARTMENT

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JANUARY 1, 2024 THROUGH DECEMBER 31, 2024

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 23, 2025

Board of Directors Third District Volunteer Fire Department 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 Statewide Agreed-Upon Procedures (SAUPs) for the year January 1, 2024 through December 31, 2024. Third District Volunteer Fire Department's management is responsible for the control and compliance areas identified in the SAUPs.

Third District 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 LLA's SAUPs for the year January 1, 2024 through December 31, 2024. 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:

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1) ***Written Policies and Procedures***

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

Results: *Upon applying the agreed-upon procedures above, we noted that there are no written policies and procedures for ethics or information technology disaster recovery/business continuity.*

Management's Response: *We will work on preparing and adopting policies for these areas.*

2) ***Board or Finance Committee***

- A. **Procedure:** 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the calendar year referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: *Upon applying the agreed-upon procedures above, we noted that two of the months tested did not include discussion of financial activity.*

Management's Response: *We will make sure to include discussion of financial activity in each meeting held.*

3) ***Bank Reconciliations***

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

Results: *Upon applying the agreed-upon procedures above, we noted that there was no documentation that bank reconciliations were reviewed by management.*

Management's Response: *We will look into our procedures and see what changes can be made.*

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

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

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

- B. **Procedure:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

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

Results: *Upon applying the agreed-upon procedures above, we noted that disbursements did not contain evidence of segregation of duties.*

Management's Response: *We will work on including evidence that segregation of duties is being followed as part of our procedures.*

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

Results: *Upon applying the agreed-upon procedures above, we noted that there was no evidence that electronic disbursements were approved by an authorized check signer.*

Management's Response: *All bills are reviewed and approved at the monthly board meetings. We will work on a procedure for including evidence that all electronic disbursements have been approved by an authorized check signer.*

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

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

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

- B. **Procedure:** Using the listing prepared by management randomly select 5 cards (or all cards if less than 5) that were used during the calendar year. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- i. Observe there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: *Upon applying the following procedures, we noted that statements do not have written or electronic approval by someone other than the authorized card holder.*

Management's Response: *We will look into our procedures and include written approval on the statements. Credit card statements are approved at the monthly board meetings and most of the charges have purchase orders approved prior to making the purchase.*

- C. **Procedure:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement and obtain supporting documentation for the transactions. For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, observe it is supported by:
- i. An original itemized receipt that identifies precisely what was purchased,
 - ii. Written documentation of the business/public purpose,
 - iii. Documentation of the individuals participating in meals (for meals charges only)

Results: *Upon applying the following procedures, we noted that five of thirteen transactions tested did not have itemized receipts or support showing the business purpose of the charge.*

Management's Response: *We will look into our procedures and see what changes can be made.*

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the calendar year and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating and other documentation required by written policy (procedure #1h).
 - iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Results: *Upon applying the following procedures, it was noted that one reimbursement tested did not have documentation supporting the expenses being reimbursed.*

Management's Response: *We will work on making sure documentation is obtained prior to paying all reimbursements.*

7) *Payroll and Personnel*

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

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

B. **Procedure:** Randomly select one pay period during the fiscal period. Select 5 employees or officials and obtain attendance records and leave documentation for the pay period, and:

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

Results: *Upon applying the following procedures, we noted that timesheets are not routinely kept. There is also no evidence of supervisors' approval.*

Management's Response: *District Chiefs record each employee's time for each shift. Time worked is submitted to the office manager to be submitted to our third-party payroll processing company. Receiving the time from the District Chief is our way of getting their approval.*

C. **Procedure:** 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.

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

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

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

We were engaged by Third District Volunteer Fire Department 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,

June 23, 2025

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 Third District Volunteer Fire Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

New Orleans, Louisiana