FINANCIAL REPORT

MARRERO-ESTELLE VOLUNTEER
FIRE COMPANY NO. 1
DECEMBER 31, 2025 AND 2024

MARRERO-ESTELLE VOLUNTEER
FIRE COMPANY NO. 1

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INDEPENDENT AUDITOR'S REPORT

May 21, 2026

Board of Directors
Marrero-Estelle Volunteer Fire
Company No. 1
Marrero, Louisiana

Opinion

We have audited the accompanying financial statements of Marrero-Estelle Volunteer Fire Company No. 1 (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 Marrero-Estelle Volunteer Fire Company No. 1 as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marrero-Estelle Volunteer Fire Company No. 1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Marrero-Estelle Volunteer Fire Company No. 1'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 Marrero-Estelle Volunteer Fire Company No. 1'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 Marrero-Estelle Volunteer Fire Company No. 1's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2026 on our consideration of Marrero-Estelle Volunteer Fire Company No. 1'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 Marrero-Estelle Volunteer Fire Company No. 1's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan and Maher, LLP

Metairie, Louisiana

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,894,813	$ 1,921,111
USE OF ASSETS - NET	2,587,926	1,698,296
OTHER ASSETS		
Deposit - Fire truck	-	1,122,406
TOTAL ASSETS	$ 4,482,739	$ 4,741,813

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accrued payroll and tax liabilities	$ 48,876	$ 39,510
Accounts payable	56,874	114,144
Compensated absences	42,542	52,363
Total current liabilities	148,292	206,017
Net Assets:		
Without restrictions	4,334,447	4,535,796
Total net assets	4,334,447	4,535,796
TOTAL LIABILITIES AND NET ASSETS	$ 4,482,739	$ 4,741,813

See accompanying notes.

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUE:		
Contract revenue:		
Jefferson Parish firefighting	$ 2,808,000	$ 2,568,000
Jefferson Parish insurance rebate	85,597	81,588
Jefferson Parish capital account	-	54,936
Interest	76,950	104,250
Insurance dividend	85,998	130,300
Insurance proceeds	126,275	-
Other income	4,674	1,093
Total revenues	3,187,494	2,940,167
EXPENSES:		
Program services - firefighting	3,290,648	3,246,315
Supporting services:		
Management and general	98,195	97,829
Total expenses	3,388,843	3,344,144
Change in net assets	(201,349)	(403,977)
Net assets without donor restrictions, beginning of year	4,535,796	4,939,773
NET ASSETS WITHOUT RESTRICTIONS - END OF PERIOD	$ 4,334,447	$ 4,535,796

See accompanying notes.

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Firefighting	Management and General	Total
EXPENSES:			
Salaries and benefits	$ 1,714,028	$ 56,662	$ 1,770,690
Insurance - liability	362,360	11,979	374,339
Insurance - medical	291,990	9,653	301,643
Depreciation - use of asset	241,811	7,994	249,805
Repairs and maintenance	238,776	-	238,776
Payroll taxes	139,295	4,605	143,900
Pension contributions	63,250	2,091	65,341
Utilities and telephone	55,234	1,826	57,060
Office expense	43,884	1,451	45,335
Equipment and gear	38,805	-	38,805
Professional services	25,402	840	26,242
Contract services	24,140	798	24,938
Fuel	18,602	-	18,602
Uniforms	18,564	-	18,564
Supplies	8,348	276	8,624
Training	5,491	-	5,491
Licenses and fees	666	22	688
TOTAL	$ 3,290,648	$ 98,195	$ 3,388,843

See accompanying notes.

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Firefighting	Management and General	Total
EXPENSES:			
Salaries and benefits	$ 1,693,653	$ 55,989	$ 1,749,642
Insurance - liability	348,259	11,513	359,772
Insurance - medical	309,705	10,238	319,943
Depreciation - use of asset	197,665	6,534	204,199
Repairs and maintenance	150,843	-	150,843
Payroll taxes	140,150	4,633	144,783
Equipment and gear	102,105	-	102,105
Professional services	70,847	2,342	73,189
Utilities and telephone	59,244	1,958	61,202
Pension contributions	56,538	1,869	58,407
Office expense	51,009	1,686	52,695
Contract services	21,743	719	22,462
Fuel	22,353	-	22,353
Supplies	10,036	332	10,368
Uniforms	6,123	-	6,123
Training	3,658	-	3,658
Travel and conferences	1,904	-	1,904
Licenses and fees	480	16	496
TOTAL	$ 3,246,315	$ 97,829	$ 3,344,144

See accompanying notes.

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (201,349)	$ (403,977)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation - use of asset	249,805	204,199
(Decrease) increase in accounts payable	(57,270)	85,575
Increase in accrued payroll and tax liabilities	9,366	17,601
Decrease in compensated absences	(9,821)	(14,832)
Net cash used by operating activities	(9,269)	(111,434)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment (use of asset)	17,029	(46,701)
Net cash used by investing activities	(17,029)	(46,701)
NET DECREASE IN CASH	(26,298)	(158,135)
Cash at beginning of year	1,921,111	2,079,246
CASH AT END OF YEAR	$ 1,894,813	$ 1,921,111

See accompanying notes.

ORGANIZATION:

Marrero-Estelle Volunteer Fire Company No. 1 (the Company) was established in 1951 as a non-profit entity to provide firefighting and rescue service to a designated area of the Eighth Fire District on the West Bank of Jefferson Parish, Louisiana. In addition, the Company provides fire code inspections for businesses within its district, as well as firefighting and rescue training for its members. The Company maintains three fire stations. The Company's main source of revenue is a fire protection contract with Jefferson Parish effective for the period December 1, 2017 through December 1, 2027. The contract was adopted by the Jefferson Parish Council on November 15, 2017 by resolution number 130379.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

Financial Statement Presentation:

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

- Net assets without donor restrictions – net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- Net assets with donor-imposed restrictions – net assets subject to donor-imposed (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets. As of December 31, 2025 and 2024, the Company had only net assets without donor restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Allocation of Expenses:

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

General and administrative consists of general administrative expenses incurred.

Revenue:

Substantially all of the Company's revenue is derived from a contract with Jefferson Parish to provide firefighting and rescue services to the designated area of the Fire Protection District No. 8 and is considered to be an exchange transaction within the scope of ASC Topic 606, *Revenue from Contracts with Customers*. The revenue is recognized over time as the performance obligation is satisfied.

In addition, the Company 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 Company's district.

Income Taxes:

The Company is exempt from income taxes under Internal Revenue Code Section 501(c)(3) as a nonprofit organization and, accordingly, the financial statements do not reflect a provision for income taxes. The Company's Federal Return of Organization Exempt from Income Tax (990) for 2025, 2024 and 2023 are subject to examination by the IRS, generally, for three years after they were filed.

Cash and Cash Equivalents:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Assets:

The Company entered into a contract with Jefferson Parish in 2017 to provide fire protection services for the Eighth Fire District of Jefferson Parish. Per the contract, any capital assets purchased with funds received from the contract or received from Jefferson Parish are owned by Jefferson Parish. In addition, any capital asset required to be titled will be titled in the name of Jefferson Parish. Capital assets not owned by the District or capital assets not titled in the name of the Company, but are used by the Company are reported in the Statements of Financial Position as a Use of Asset and contract revenue in the Statement of Activities. Capital assets used by the Company consist mainly of buildings, fire trucks, equipment and furniture. As the capital assets are used, the value of the asset is reduced systematically over the life of the asset as follows:

Vehicles	5 - 7 years
Furniture and fixtures	3 - 10 years
Firefighting and rescue equipment	5 - 10 years
Buildings and improvements	7 - 40 years

Use of Estimates:

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

2. CASH:

At December 31, 2025 and 2024, the Company maintained cash balances in a local bank. The bank balances totaled $1,909,922 and $1,936,219, respectively and the book balance totaled $1,894,813 and $1,921,111, respectively. Included in the book balances is petty cash of $200 for both 2024 and 2025. All funds, besides petty cash, are insured through a promontory insured cash sweep. The promontory insured cash sweep (ICS) is used to spread the Company's cash among other banks within the promontory network so no balances at any one bank are above FDIC coverage.

3. DEPOSIT – FIRE TRUCK:

A deposit of $1,000,000 was made on the purchase of a new Pierce-Custom Impel Rescue vehicle in 2022. The remaining balance of $122,406 was paid in 2023. The total deposit of $1,122,406 was received from the Eighth Fire District of Jefferson Parish's BP fund. The fire truck was placed in service in April 2025.

4. USE OF ASSETS:

During 2017, the Company entered into a contract with Jefferson Parish to provide firefighting services. As stipulated in the contract, any acquisition of furniture, equipment, apparatus, immovable property or buildings by the Company with funds from the contract or any acquisitions prior to the contract with Jefferson Parish shall be the property of Jefferson Parish.

In addition, if the asset is legally required to be titled, shall be titled in the name of Jefferson Parish and not in the name of the Company. The contract also states that in the event the Company 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 or through bond proceeds, 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. These assets are reported as a use of asset on the statements of financial position and depreciated over the useful life of the asset.

Below is a summary of the Company's use of assets at December 31, 2025 and 2024:

	January 01, 2025	Additions	Deletions	December 31, 2025
Land	$ 153,000	$ -	$ -	$ 153,000
Buildings and improvements	2,115,825	-	-	2,115,825
Vehicles	3,376,296	1,122,406	-	4,498,702
Machinery and equipment	295,508	7,598	-	303,106
Furniture and fixtures	113,716	9,431	-	123,147
	6,054,345	1,139,435	-	7,193,780
Less accumulated depreciation	4,356,049	249,805	-	4,605,854
Net use of assets	$ 1,698,296	$ 889,630	$ -	$ 2,587,926

	January 01, 2024	Additions	Deletions	December 31, 2024
Land	$ 153,000	$ -	$ -	$ 153,000
Buildings and improvements	2,076,095	39,730	-	2,115,825
Vehicles	3,376,296	-	-	3,376,296
Machinery and equipment	295,508	-	-	295,508
Furniture and fixtures	106,745	6,971	-	113,716
	6,007,644	46,701	-	6,054,345
Less accumulated depreciation	4,151,850	204,199	-	4,356,049
Net use of assets	$ 1,855,794	$ (157,498)	$ -	$ 1,698,296

The use of assets is depreciated systematically over the life of the asset using the straight-line basis. Depreciation expense for the years ended December 31, 2025 and 2024 totaled $249,805 and $204,199, respectively.

5. DONATED SERVICES:

Amounts have not been reflected in the financial statements for donated services because the value of these services was not readily determinable. All members of the Board of Directors and the Fire Chief serve without compensation.

6. COMPENSATED ABSENCES:

The Company's employees accrue vacation at varying rates based on their term of service. At December 31, 2025, employees accumulated a total of $42,542 of unused vacation. At December 31, 2024, employees accumulated a total of $52,363 of unused vacation. Unused accumulated vacation is paid on each employee's annual anniversary date.

Sick leave is granted in accordance with applicable Louisiana statutes governing firefighters. Under Louisiana Revised Statute 33:1995, firefighters are entitled to full pay during periods of sickness or incapacity for a period not to exceed fifty-two (52) weeks, provided the condition is not the result of the employee's own negligence. This benefit represents a statutory entitlement rather than an accrued leave benefit and, accordingly, is recognized as an expenditure or expense when the leave is taken.

Because sick leave benefits under this statute do not vest and are contingent upon a future event, no liability has been recorded in the accompanying financial statements for such amounts.

7. EMPLOYEE BENEFIT PLAN:

The Company maintains a defined contribution retirement plan for eligible employees. The plan permits employee salary deferrals, including a Roth contribution option added in 2025. The Company provides matching contributions equal to 3% of compensation for employee deferrals below 4% of compensation, and 4% of compensation when employee deferrals are 5% or greater. The maximum annual employee contribution allowed by the IRS was $23,500 and $23,000 for December 31, 2025 and 2024 respectively. Additional catch up contributions of $7,500 for those at least age 50 was allowed for both years ended December 31, 2025 and 2024. For the years ended December 31, 2025 and 2024, the Company contributed $65,341 and $58,407 to the plan.

8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Company manages is liquidity by operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. As of December 31, 2025 and 2024, financial assets available for expenses within one year of the statement of financial position date consist of cash in the amount of $1,894,813 and 1,921,111 respectively.

9. EXPENSES PAID BY OTHERS:

All full-time firefighters of the Company receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. The amount of pay received varies based on years of service. The supplemental funds are paid directly to the firefighters from the state. The Company pays the employer's portion of social security and Medicare taxes on these wages. Because the Company does not receive or disburse these wages, the supplemental pay is not reflected in the accompanying financial statements.

10. ECONOMIC DEPENDENCY, FIRE PROTECTION CONTRACT:

Substantially all of the Company's support is derived from funds provided by Jefferson Parish. The Company entered into a contract with Jefferson Parish, effective December 1, 2017 through December 1, 2027, under which the Company received $2,400,000 annually ($200,000 monthly). Beginning April 2022 support increased by $14,000 per month. An additional increase of $20,000 per month was granted in July 2025. For the years ended December 31, 2025 and 2024, the Company received $2,808,000 and $2,568,000, respectively, from Jefferson Parish to fund operational costs.

The Company also receives funding from fire insurance rebates which are derived from fire insurance policies within the Eighth Fire District of Jefferson Parish. The Company received $85,597 and $81,588 during the years ended December 31, 2025 and 2024, respectively. Management is not aware of any plans on the part of Jefferson Parish to terminate the contract.

11. INSURANCE PROCEEDS:

During fiscal year ending December 31, 2024, the Company identified irregularities in payroll withholdings related to employee insurance premiums. Management engaged an external consultant to review payroll records and related documentation for the period from June 1, 2019 through May 31, 2024. The consultant's analysis indicated that insurance premiums were over withheld for certain employees and under withheld for others, resulting in a net under withholding of approximately $138,771 for the period examined. This amount represents the consultant's estimate based on available records and supporting documentation. As a result of the findings, the Company filed an insurance claim seeking recovery of the estimated net under withheld amount.

In December 2025, the Company received insurance proceeds in the amount of $126,275, which were reported as revenue in the financial statements for the year ended December 31, 2025. The proceeds represent the final recovery associated with this matter.

12. DATE OF MANAGEMENT'S REVIEW:

Subsequent events have been evaluated by management through May 21, 2026, which is the date that the financial statements were available to be issued.

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Kevin Coleman, Board President
(Volunteer) January 1, 2025 – December 31, 2025

Purpose	
Benefits	$ -
Meals	-
Per diem	-
Salary	-
Travel	-
Unvouchered expenses	-
Vehicle allowance	-
Total	$ -

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certified public accountants

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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*

May 21, 2026

To the Board of Directors
Marrero-Estelle Volunteer Fire
Company No. 1
Marrero, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marrero-Estelle Volunteer Fire Company No. 1 (a Louisiana nonprofit organization), which comprise the statement of financial position as December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marrero-Estelle Volunteer Fire Company No. 1's (the Company) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of Marrero-Estelle Volunteer Fire Company No. 1'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 a material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-01 and 2025-03 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marrero-Estelle Volunteer Fire Company No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2025-02 and 2025-03.

Marrero-Estelle Volunteer Fire Company No 1.'s Response to Audit Findings

Government Auditing Standards requires the auditor to perform limited procedures on Marrero-Estelle Volunteer Fire Company No 1.'s response to the findings identified in our audit and described in the accompanying schedule of findings. Marrero-Estelle Volunteer Firm Company No 1.'s response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Duplantier, Hrapmann, Hogan and Maher, LLP

Metairie, Louisiana

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY, NO. 1
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Marrero-Estelle Volunteer Fire Company No. 1 for the year ended December 31, 2025 was unmodified.

2. Internal Control
   Material weakness: 2025-01and 2025-03
   Significant deficiency: 2025-01and 2025-03

3. Compliance and Other Matters: 2025-02 and 2025-03

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

2025-01 – Fixed Assets

As of year-end the Company has not completed a physical inventory of fixed assets. The Company should perform an annual inventory count of fixed assets and reconcile to the general ledger. Not performing the inventory count could result in the overstatement or understatement of fixed assets on the Company's general ledger. We recommend the Company perform a physical inventory count of all fixed assets and reconcile with the general ledger. This is a repeat finding.

Management's Response

Management partially concurs with this finding. While a complete formal year-end physical inventory was not finalized as of December 31, 2025, the Company has maintained ongoing knowledge of its major vehicles, equipment, and station assets and has already begun a tagging and documentation project to improve the completeness of its records. Management acknowledges that a more formal annual physical inventory process should be documented and reconciled to the accounting records and will implement that process during 2026.

2025-02 – Compliance with Jefferson Parish Contract

As required by the contract with Jefferson Parish, the Company did not maintain a schedule of fixed assets owned by Jefferson Parish. In addition, the Company did not properly title fixed assets purchased with funds from the contract with Jefferson Parish in the name of Jefferson Parish. The Company should maintain a fixed asset schedule of all assets owned by Jefferson Parish. Also, all assets purchased with funds from the contract with Jefferson Parish should be titled in the name of Jefferson Parish. Not maintaining a fixed asset schedule of assets owned by Jefferson Parish and not placing assets required to be titled in the name of Jefferson Parish resulted in non-compliance with the contract. We recommend the Company prepare a schedule of fixed assets owned by Jefferson Parish and title all required assets purchased with funds from Jefferson Parish in the name of Jefferson Parish. This is a repeat finding.

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

2025-02 – Compliance with Jefferson Parish Contract (Continued)

Management's Response

Management respectfully disagrees in part with the characterization of this finding. The Company has not intentionally failed to comply with the Jefferson Parish contract.

Management submitted the relevant vehicle titles to Jefferson Parish in prior years for retitling and has relied on the Parish. To the extent titles remain outstanding, Management believes the delay is primarily administrative and outside the Company's direct control. Nevertheless, Management recognizes the need to strengthen its records and will work with Jefferson Parish to prepare an updated schedule of Parish-owned assets and document the status of all title transfers.

2025-03 – Deficiency in Internal Control over Payroll Withholdings Resulting in Misappropriation of Funds

Company policy requires payroll deductions to be accurately withheld from employee payroll and remitted to applicable insurance providers and other third parties. Effective internal controls over payroll should include appropriate segregation of duties, independent review of payroll deduction changes, and periodic reconciliation of employee withholdings to amounts remitted to service providers.

During 2024, management identified discrepancies in insurance premium withholdings on employee payroll checks during a review of employee insurance coverage. An investigation determined that payroll withholdings for certain employees were improperly withheld, both over and under withheld, over the period beginning June 1, 2019 through May 31, 2024.

The Company engaged an independent CPA firm to perform an investigative review, which identified approximately $138,770 in funds associated with improper insurance premiums withholdings and remittances. The activity occurred within the Company's payroll and administrative functions. The individual believed to be responsible for the activity served as the Company's office administrator; who was immediately terminated and no longer has authorized access to Company assets or payroll systems.

Based on the investigation, the Board of Directors concluded the activity appeared intentional and constituted a misappropriation of Company funds. The matter was referred to the Jefferson Parish Sheriff's Office for investigation. The investigation remains ongoing, and no charges have been filed, or adjudication has occurred as of the date of this report.

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

2025-03 – Deficiency in Internal Control over Payroll Withholdings Resulting in Misappropriation of Funds (continued)

The Company filed a claim with its fidelity/crime insurance carrier and recovered approximately $126,275 resulting in an estimated net unrecovered loss of approximately $12,495. The Company has not yet pursued restitution from the individual responsible. Management may pursue restitution after completion of the Sheriff's Office investigation.

The improper withholdings occurred because payroll deduction changes could be processed without adequate independent review, approval, or reconciliation. In addition, duties within the payroll process were not sufficiently segregated. These deficiencies allowed unauthorized deduction changes to occur and remain undetected for an extended period, constituting a material weakness in internal control over financial reporting.

The Company's existing internal controls did not detect the unauthorized payroll deduction activity in a timely manner. The matter was identified through management review rather than through established payroll monitoring controls. The Company has not notified the Louisiana Legislative Auditor or the Jefferson Parish District Attorney in writing as required by Louisiana Revised Statute 24:523. The matter was subsequently communicated to the Louisiana Legislative Auditor in connection with the 2025 audit; however, the Company had not separately provided the required written notification as of the date of this report.

We recommend the following:

- Require independent review and documented approval of all payroll deduction additions and changes.
- Restrict system access for entering and approving payroll deduction changes so that incompatible duties are assigned to different individuals.
- Reconcile employee payroll deductions to insurance-provider invoices and amounts remitted each pay period or month.
- Require an individual independent of payroll processing to review and document approval of the reconciliations.
- Periodically review payroll-system user access and promptly remove access for terminated employees.
- Establish procedures for timely written notification of suspected misappropriations to the Louisiana Legislative Auditor and the appropriate district attorney when required.

VOLUNTEER FIRE COMPANY, NO. 1
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

2025-03 – Deficiency in Internal Control over Payroll Withholdings Resulting in Misappropriation of Funds – Continued

Management's Response

Management concurs with the finding.

Upon identification of discrepancies in employee insurance withholdings during 2024, the Company engaged an independent CPA firm to conduct an investigative review. Based on the results of that review, the employee believed to be responsible for the unauthorized activity was immediately terminated and all access to Company payroll systems and financial records was revoked. The matter was referred to the Jefferson Parish Sheriff's Office, and the Company filed a claim with its fidelity/crime insurance carrier, resulting in the recovery of a substantial portion of the loss. The investigation remains ongoing.

To address the control deficiencies identified, the Company has implemented additional payroll controls, including independent review and approval of payroll deduction changes, improved segregation of duties within the payroll process, and periodic reconciliation of payroll deductions to insurance carrier invoices and remittances. Management has also established procedures requiring review of payroll system user access and timely removal of access upon employee termination.

In addition, the Company has implemented procedures to ensure compliance with Louisiana Revised Statute 24:523, including prompt written notification to the Louisiana Legislative Auditor and the appropriate district attorney when suspected misappropriation of public funds or assets is identified.

Management will continue to monitor the effectiveness of these corrective actions and make additional improvements as necessary to strengthen internal controls and reduce the risk of similar occurrences in the future.

STATUS OF PRIOR YEAR FINDINGS:

2024-01 – Fixed Assets

The Company did not take a physical inventory of fixed assets. The Company should perform an annual inventory count of fixed assets and reconcile the fixed asset listing to the general ledger. Not performing the inventory count could result in the overstatement or understatement of fixed assets on the Company's general ledger. We recommend the Company perform a physical inventory count of all fixed assets.

This finding has not been resolved. See current year finding 2025-01.

VOLUNTEER FIRE COMPANY, NO. 1
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

2024-02 – Compliance with Jefferson Parish Contract

As required by the contract with Jefferson Parish, the Company did not maintain a schedule of fixed assets owned by Jefferson Parish. In addition, the Company did not properly title fixed assets purchased with funds from the contract with Jefferson Parish in the name of Jefferson Parish. The Company should maintain a fixed asset schedule of all assets owned by Jefferson Parish. Also, all assets purchased with funds from the contract with Jefferson Parish should be titled in the name of Jefferson Parish. Not maintaining a fixed asset schedule of assets owned by Jefferson Parish and not placing assets required to be titled in the name of Jefferson Parish resulted in non-compliance with the contract. We recommend the Company prepare a schedule of fixed assets owned by Jefferson Parish and title all required assets purchased with funds from Jefferson Parish in the name of Jefferson Parish.

This finding has not been resolved. See current year finding 2025-02.

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR
JANUARY 1, 2025–DECEMBER 31, 2025

MARRERO-ESTELLE VOLUNTEER FIRE COMPANY NO. 1

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

April 15, 2026

Board of Directors
Marrero-Estelle Volunteer Fire Company No. 1
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, 2025 through December 31, 2025. Marrero-Estelle Volunteer Fire Company No. 1's (Company) management is responsible for the control and compliance areas identified in the SAUPs.

Marrero-Estelle Volunteer Fire Company No. 1 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, 2025 through December 31, 2025**.** Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. 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:

   a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

   b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

   c) Disbursements, including processing, reviewing and approving.

   d) Receipts/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).

   e) 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(s) rate of pay or approval and maintenance of pay rate schedules.

   f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

   h) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

   i) 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.

   j) 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.

k) 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.

Upon applying the agreed-upon procedures above, the following policy deficiencies were noted.

- The purchasing policy does not specify what documentation must be maintained for price quotes obtained on purchases below the $10,000 public bid law threshold.
- The ethics policy does not include a written policy to ensure that all employees are notified of any changes to the entity's ethics policy or that documentation be maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- No written policy or procedure exists for information technology disaster recovery and business continuity.

Management's response:

Management concurs with the findings. The Company will update its purchasing policy to clearly define documentation requirements for purchases below the public bid threshold. Additionally, Management will implement a formal process to communicate changes in ethics policies to all employees and maintain documentation of such notifications. The Board will also adopt written policies and procedures for information technology disaster recovery and business continuity to strengthen overall control and preparedness.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the calendar year, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the calendar year, and:

a) 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.

b) 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 calendar year.

c) 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.

d) 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.

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

- There was no evidence of audit findings being discussed or resolved during board meetings.
- There was no discussion of financial activity related to public funds in the February board meeting minutes.
- The board did not meet in May, July, September, November, or December; monthly meetings are required by their by-laws.

Management's response:

Management partially concurs with the findings. Audit findings and financial activity relating to public funds were discussed; however, Management acknowledges that these discussions were not consistently documented in the official board minutes.

Management notes that financial information is typically discussed at all membership meetings, during which members actively review financial matters and vote on key decisions. The governance structure of the Company allows membership to vote and, when appropriate, override Board decisions. Accordingly, Management believes that financial oversight and transparency were maintained during the year.

With respect to the specific instance noted, Management confirms that financial information was discussed at the meeting; however, such discussion may not have been fully reflected in the recorded minutes.

Regarding meetings not held due to lack of quorum, Management notes that although certain formal meetings could not be convened, business operations and oversight activities continued without interruption, and no critical matters were missed or delayed. The Company will take steps to improve attendance and scheduling to better comply with bylaws requiring regular meetings.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the calendar year from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all

accounts if less than 5). Randomly select one month from the calendar year, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observed that:

a) 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);

b) Bank reconciliations include 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

c) 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.

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

During the review of bank reconciliations, it was noted that the Company lacks documentation evidencing research or follow-up on reconciling items outstanding for more than 12 months

Management's response:

Management concurs with the finding. While reconciling items are reviewed, documentation of follow-up for older outstanding items has not been consistently maintained. Management will implement procedures to formally track, investigate, and document the resolution of reconciling items, particularly those outstanding for extended periods.

Collections (excluding electronic funds transfers)

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

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

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

   a) Employees responsible for cash collections do not share cash drawers/registers.

b) 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.

c) 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

d) 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.

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

One employee is responsible for receiving collections, preparing deposits, depositing funds, and recording transactions on the general ledger.

Management's response:

Management acknowledges the lack of full segregation of duties due to limited staffing, which is common among similarly sized fire companies. However, Management notes that substantially all of the Company's funding is received from Jefferson Parish via electronic funds transfer (EFT), significantly reducing the volume and risk associated with manual cash handling and collection activities.

Given the limited number of cash and check transactions, Management believes the risk associated with this control deficiency is mitigated. In addition, compensating controls are in place, including independent review of bank statements and reconciliations and oversight by the Board.

While it is not currently cost-effective to hire additional personnel solely to segregate these duties, Management will continue to evaluate opportunities to enhance internal controls as resources permit.

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

   No findings noted as a result of applying the above agreed-upon procedure.

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

a) Observe that receipts are sequentially pre-numbered.

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

c) Trace the deposit slip total to the actual deposit per the bank statement.

d) 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).

e) Trace the actual deposit per the bank statement to the general ledger.

Upon applying the agreed-upon procedures, we noted the date of the collection is not documented when received by the office.

Management's response:

Management partially concurs with this finding. The Company acknowledges that dates of collection were not consistently documented upon receipt and will implement procedures to ensure that all collections are date-stamped when received at the office to improve tracking and auditability.

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

8. 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).

9. 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:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

   b) At least two employees are involved in processing and approving payments to vendors.

   c) 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.

d) 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.

e) 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.

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

10. 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:

    a) Observe the disbursement matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity.

    b) Observe the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. 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.

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the calendar year, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

13. 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:

a) 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.

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

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

A review of monthly card statements revealed that the statements are not being reviewed and approved in writing by an individual other than the authorized cardholder.

Management's response:

Management agrees with the finding. Going forward, all credit card statements will be reviewed and approved by an individual independent of the cardholder. Documentation of this review will be maintained to strengthen oversight of card usage and compliance with the Company's policy.

14. Using the monthly statements or combined statements selected under #13 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:

a) An original itemized receipt that identifies precisely what was purchased,

b) Written documentation of the business/public purpose,

c) Documentation of the individuals participating in meals (for meals charges only)

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

15. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

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

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

16. 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:

    a) 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.

    b) If reimbursed using actual cost, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

    c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating and other documentation required by written policy (procedure #1h).

    d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

    There were no travel or travel-related expenses during the period.

Contracts

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

    a) Observe the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
    b) Observe the contract was approved by the governing body/board, if required by policy or law.

    c) If the contract was amended, observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms. (e.g., if approval is required for any amendment, was approval documented).

    d) Randomly select one payment from the calendar year for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

There were no agreements or contracts for professional services, materials and supplies, leases, or construction activities that were initiated or renewed during the fiscal period.

Payroll and Personnel

18. 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.

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

19. Randomly select one pay period during the calendar year. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) 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.)

    b) Observe supervisors approved the attendance and leave of the selected employees or officials.

    c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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

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

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

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

21. 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 findings noted as a result of applying the above agreed-upon procedures.

Ethics

22. Using the 5 randomly selected employees/officials from procedure #18 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

    a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

    b) 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.

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

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

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

Fraud Notice

24. Obtain a listing of misappropriations of public funds and assets during the calendar year and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

25. 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 findings noted as a result of applying the above agreed-upon procedures.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week and was not stored on the government's local server or network. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
    b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

    c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

    We performed the procedures above and discussed the results with management.

27. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9c.

    We performed the procedure and discussed the results with management.

28. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18A, 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:

    a) Hired before June 9, 2020 - completed the training; and

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

    We performed the procedures above and discussed the results with management.

Board of Directors
Marrero-Estelle Volunteer Fire Company No 1 and
Louisiana Legislative Auditor April 15, 2026

We were engaged by Marrero-Estelle Volunteer Fire Company No. 1 to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Marrero-Estelle Volunteer Fire Company No. 1 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.

Duplantier, Hrapmann, Hogan and Maher, LLP

Metairie, Louisiana