



DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC

DES ALLEMANDS, LOUISIANA

FINANCIAL REPORT

For the Year Ended December 31, 2023

T.S. KEARNS & CO.


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DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.

Des Allemands, Louisiana

FINANCIAL REPORT

For the year ended December 31, 2023

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Des Allemands, Louisiana

FINANCIAL REPORT
For the year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison – general fund information on pages 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The other supplementary information on page 24 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 03, 2024 on our consideration of the Department's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.



Thibodaux, Louisiana
June 03, 2024

Basic Financial Statements

Government-Wide Financial Statements

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC
DES ALLEMANDS, LOUISIANA

STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activites
Assets	
Current assets:	
Cash and cash equivalents	\$ 499,041
Prepaid insurance	16,847
Due from Government - Sales taxes	16,873
Total current assets	532,761
Noncurrent assets:	
Capital assets, not being depreciated	78,010
Capital assets, net of accumulated depreciation	535,277
Total noncurrent assets	613,287
Total Assets	\$ 1,146,048
Liabilities	
Current liabilities	
Accounts payable	\$ 5,628
Accrued interest payable	5,101
Long term liabilities due < 1 year	45,000
Total current liabilities	55,729
Noncurrent liabilities	
Long term liabilities due > 1 year	335,000
Total noncurrent liabilities	335,000
Total Liabilities	\$ 390,729
Net Position	
Net investment in capital assets	\$ 150,176
Net position - Unrestricted	605,144
Total Net Position	\$ 755,320

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC

DES ALLEMANDS, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	
Expenses:				
Governmental activities:				
Public safety - fire protection:				
Repairs and maintenance	\$ 118,472	-	-	\$ (118,472)
Professional services	20,836	-	-	(20,836)
Insurance	47,565	-	-	(47,565)
Fuel	3,302	-	-	(3,302)
Supplies and materials	34,295	-	-	(34,295)
Utilities	29,126	-	-	(29,126)
Training	2,330	-	-	(2,330)
Dues and memberships	5,893	-	-	(5,893)
Office expense	23,052	-	-	(23,052)
Installation of officers	682	-	-	(682)
Meals	1,556	-	-	(1,556)
Miscellaneous	1,450	-	-	(1,450)
Depreciation expense	116,936	-	-	(116,936)
Interest Expense	24,227	-	-	(24,227)
Total Governmental activities	\$ 429,720	\$ -	\$ -	\$ (429,720)

General Revenues:

Ad valorem tax	\$ 314,740
Sales tax - 1/8 percent	146,733
Fire insurance rebate	13,956
Donations	3,300

Total general revenues	478,730
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Special Items:

Proceeds from insurance claim	9,721
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Total special items	9,721
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Change in net position	58,731
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Net Position - Beginning (restated, see note 2)	696,589
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Net Position - Ending	\$ 755,320
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Basic Financial Statements

Fund Financial Statements

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC
DES ALLEMANDS, LOUISIANA

Balance Sheet - Governmental Funds
December 31, 2023

	General Fund (Major)	Private Contributions Fund (Non-Major)	Totals (Memo Only)
Assets			
Cash and cash equivalents	\$ 496,611	\$ 2,431	\$ 499,041
Prepaid Insurance	16,847	-	16,847
Due from Government - Sales taxes	16,873	-	16,873
Total Assets	<u>530,331</u>	<u>2,431</u>	<u>532,761</u>
Liabilities			
Current liabilities			
Accounts payable	5,628	-	5,628
Total Liabilities	<u>5,628</u>	<u>-</u>	<u>5,628</u>
Fund balance			
Nonspendable - prepaid expenses	16,847	-	16,847
Fund Balance - Unassigned	507,856	2,431	510,287
Total Fund Balance	<u>524,703</u>	<u>\$ 2,431</u>	<u>\$ 527,134</u>

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT INC.
DES ALLEMANDS, LOUISIANA

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

For the Year Ended December 31, 2023

	General Fund (Major)	Private Contributions Fund (Non-Major)	Totals (Memo Only)
Revenues			
Ad valorem tax	\$ 314,740		\$ 314,740
Sales tax - 1/8 percent	146,733		146,733
Fire insurance rebate	13,956		13,956
Donations	3,000	\$ 300	3,300
Total revenues	<u>478,430</u>	<u>300</u>	<u>478,730</u>
Expenditures			
Public safety - fire protection:			
Current:			
Repairs and maintenance	118,472		118,472
Professional services	20,836		20,836
Insurance	47,565		47,565
Fuel	3,302		3,302
Supplies and materials	34,295		34,295
Utilities	29,126		29,126
Training	2,330		2,330
Dues and memberships	5,893		5,893
Office expense	23,052		23,052
Installation of officers	682		682
Meals	1,556		1,556
Miscellaneous	98	1,352	1,450
Capital Outlay:			
Equipment purchases	92,317		92,317
Retirement of long-term debt:			
Debt Service	167,424		167,424
Interest	24,880		24,880
Total expenditures	<u>571,827</u>	<u>1,352</u>	<u>573,178</u>
Excess of revenues over/(under) expenditures	(93,397)	(1,052)	(94,448)
Other Financing Sources (Uses)			
Proceeds from insurance claim	9,721		9,721
Total other financing sources and uses	9,721	-	9,721
Excess (deficiency) of revenues and other sources Over expenditures and other uses	(83,676)	(1,052)	(84,728)
Fund Balance - Beginning (restated, see note 2)	<u>608,379</u>	<u>3,482</u>	<u>611,861</u>
Fund Balance - End of Year	<u>\$ 524,703</u>	<u>\$ 2,431</u>	<u>\$ 527,134</u>

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC

DES ALLEMANDS, LOUISIANA

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

December 31, 2023

Total Fund Balances - Governmental Funds \$ 527,134

Amounts reported for governmental activities in the Statement of Net
Position are different because:

Capital assets used in governmental activities are not current
financial resources and, therefore, are not reported in the
Governmental Fund Balance Sheet. Those assets consist of:

Land	78,010	
Buildings, net of \$966,199 accumulated depreciation	313,438	
Vehicles, net of \$1,494,765 accumulated depreciation	159,935	
Equipment, net of \$837,363 accumulated depreciation	61,904	613,287

Long-term liabilities are not due and payable in the current period and,
therefore are not reported in the Governmental Fund Balance Sheet,
but rather are recognized as expenditures when due. All liabilities
(both current and long-term) are reported in the Statement of Net
Position.

Accrued interest payable	(5,101)	
Long-term liabilities	(380,000)	
		(385,101)

Total Net Position - Governmental activities \$ 755,320

The accompanying notes are an integral part of this statement

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC

DES ALLEMANDS, LOUISIANA

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

For the Year Ended December 31, 2023

Net Change in Fund Balances - Governmental Funds \$ (84,728)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital assets purchased	92,317	
Depreciation expense	<u>(116,936)</u>	(24,619)

Governmental funds report debt services payments as expenditures. However, in the statement of activities the repayment of principal indebtedness reduces long-term liabilities and does not affect the statement of activities.

167,424

Under the modified accrual basis of accounting used in governmental funds, interest on long-term debt is not recognized until due, rather than as it accrues.

653

Change in Net Position - Governmental activities

\$ 58,731

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2023

INTRODUCTION

The Des Allemands Volunteer Fire Department, Inc. (the department) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 101 (8). The department is exempt from federal income tax under section 501(c)(4) of the Internal Revenue Code. Its objective is to provide fire protection to the Parish of St. Charles.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Department's governmental activities. Direct expenses are

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2023

those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue.

Fund Financial Statements (FFS)

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

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

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Department are described below:

Major Fund:
Governmental Fund - General Fund

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

Non-Major Fund:
Governmental Fund – Private Contributions Fund

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

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2023

B. Measurement Focus / Basis of Accounting

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

Measurement Focus

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

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

Basis of Accounting

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

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

The Department reports deferred inflows of resources on its governmental fund balance sheet. For governmental fund financial statements, deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Department has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2023

the Department has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Budgets and Budgetary Accounting

The Department prepares a budget for its General fund which is approved by its board of directors. However, the budget is not legally adopted or required in the basic financial presentation. The budget is reviewed monthly by the finance committee and quarterly by the full membership and compared to actual expenditures for use in managing expenditures.

D. Encumbrances

The Department does not use encumbrance accounting.

E. Cash and Interest-bearing Deposits

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

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

F. Investments

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

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

G. Prepaid Expenditures

Payments made for goods and services that will benefit periods beyond December 31, 2023 have been recorded as prepaid expenditures.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2023

H. Receivables

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

I. Inventories

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

J. Deferred Outflows of Resources and Deferred Inflows of Resources

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

K. Use of Estimates

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

L. Capital Assets

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Building improvements	10-40 years
Equipment	5-15 years
Vehicles	5-15 years

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

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2023

M. Long-Term Obligations

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

N. Equity Classifications

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

1. Net Investment in Capital Assets This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.
2. Restricted Net Position Net positions that are restricted by external sources such as creditors, grantors, contributors, or by law through either enabling legislation or constitutional provisions are reported separately as restricted net position. When assets are required to be retained in perpetuity, these non-expendable net positions are recorded separately from expendable net positions. These are components of restricted net positions.
3. Unrestricted Net Position All other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

1. Nonspendable Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Department has prepaid insurance which is considered *nonspendable* fund balance on the fund financial statements.
2. Restricted Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed Amounts that can be used only for specific purposes determined by a formal decision of the Board.
4. Assigned Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes by a decision of the Board.

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2023

5. Unassigned All other spendable amounts.

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

NOTE 2. PRIOR PERIOD ADJUSTMENT

An immaterial prior period adjustment was required to restate the beginning fund balance/net position to include the Private Contributions Fund on the financial report which was not included in the prior year. This adjustment increased both cash and fund balance/net position by \$3,482.

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2023, the department has demand deposits and certificates of deposit (book balances) totaling \$499,041, as follows:

Demand Deposits	\$ 498,840
Time and Savings Deposits	<u>201</u>
Total	<u>\$ 499,041</u>

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

NOTE 4. CUSTODIAL CREDIT RISK

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

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2023

Deposit balances (bank balances) at December 31, 2023 in the amount of \$510,937 were secured with \$250,000 of federal deposit insurance and pledged securities of \$260,937, respectively. There were no unsecured funds. Deposits secured by pledged securities are exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Department's name. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the department that the fiscal agent has failed to pay deposited funds on demand. The department does not have a policy for custodial credit risk.

NOTE 5. CAPITAL ASSETS

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

	<u>Balance</u> <u>12/31/2022</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>12/31/2023</u>
Capital assets not being depreciated:				
Land	\$ 78,010	-	-	\$ 78,010
Capital assets being depreciated:				
Equipment	\$ 866,133	37,173	(4,039)	\$ 899,267
Buildings	1,224,493	55,144	-	1,279,637
Vehicles	1,654,700	-	-	1,654,700
Total capital assets being depreciated	<u>3,745,326</u>	<u>92,317</u>	<u>(4,039)</u>	<u>3,833,604</u>
Less: accumulated depreciation	<u>(3,185,430)</u>	<u>(116,936)</u>	<u>4,039</u>	<u>(3,298,327)</u>
Net total capital assets being depreciated	<u>559,896</u>	<u>(24,619)</u>	<u>-</u>	<u>535,277</u>
Net total capital assets	<u>\$ 637,906</u>	<u>(24,619)</u>	<u>-</u>	<u>\$ 613,287</u>

Depreciation expense for the year of \$116,936 was charged to public safety.

NOTE 6. LONG-TERM DEBT

On August 1, 2019, St. Charles Parish obtained financing on behalf of the Department. The amount financed was \$540,000 and is secured by a pledge of future sales tax each of the fiscal years during which the debt is outstanding. Interest on the loan is 3.25% with a maturity date of August 2031.

The Department also held an installment agreement with U.S. Bancorp Government Leasing and Finance with an interest rate of 5.50% with a maturity date of June 21, 2025. The agreement was secured by a fire vehicle. During the year the Department paid off the remaining amount of \$122,424.

**DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA**

Notes to the Financial Statements
For the year ended December 31, 2023

On December 28, 2023, the Department's board approved the purchase of a new E-One Firetruck to be financed with REV Financial Services in the amount of \$470,155. This loan will be secured by a fire vehicle. The estimated interest rate is expected to be 7.108% and will require one payment annually for 8 years. This proposal was not accepted until January 2024.

A summary of the changes in general long-term debt obligations of the department is as follows:

Long-term obligations payable at December 31, 2022	\$ 547,424
Additions	
Reductions	(167,424)
Long-term obligations payable at December 31, 2023	\$ 380,000

During the year, the department paid \$167,424 in principle and \$24,880 interest expense. All principal and interest requirements are funded in accordance with Louisiana law by the general revenues of the Department. The amounts due on outstanding debt, including interest, are as follows:

Year ending December 31.	Principal	Interest	Total Debt Service Requirement
2024	45,000	12,350	57,350
2025	40,000	10,888	50,888
2026	45,000	9,588	54,588
2027	45,000	8,125	53,125
2028-2031	205,000	16,900	221,900
	380,000	57,850	437,850

The department had no short-term debt in 2023.

NOTE 7. FIRE PROTECTION CONTRACT - AD VALOREM TAX

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

**DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA**

Notes to the Financial Statements
For the year ended December 31, 2023

NOTE 8. FIRE PROTECTION CONTRACT – SALES TAXES

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

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

The department receives a monthly base amount of \$2,500 plus 4.10% of the remaining funds. The total revenue under this agreement for the year ended December 31, 2023 was \$146,733.

Due from government - sales taxes at December 31, 2023 of \$16,873 consists of the Department's share of the 1/8th cent sales tax for the months of November and December 2023, collected by the St. Charles Parish School Board and remitted by St. Charles Parish in January and February 2024.

NOTE 9. RISK MANAGEMENT

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

**DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA**

Notes to the Financial Statements
For the year ended December 31, 2023

NOTE 10. INCOME TAXES

The Fire Department is exempt from federal income tax under Section 501 (c)(4) of the Internal Revenue Code. It is exempt from Louisiana income tax under the authority of R.S. 47:121(7). The Fire Department's evaluation as of December 31, 2023 revealed no tax positions that would have a material impact on the financial statements. The 2020 through 2023 tax years remain subject to examination by the IRS. The Fire Department does not believe that any reasonably possibly changes will occur within the next twelve months that will have a material impact on the financial statements.

NOTE 11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 03, 2024, which is the date the financial statements were available to be issued.

NOTE 12. LITIGATION AND CLAIMS

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

Required Supplemental Information

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC
Des Allemands, Louisiana

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:			
Ad valorem tax	\$ 300,000	\$ 314,740	\$ 14,740
Sales tax	70,000	84,424	14,424
Fire insurance rebate	12,000	13,956	1,956
Other revenue	-	12,721	12,721
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 382,000</u>	<u>\$ 425,841</u>	<u>\$ 43,841</u>
Expenditures:			
Repairs and maintenance	93,500	132,576	(39,076)
Professional fees	20,000	13,800	6,200
Insurance	48,000	49,701	(1,701)
Fuel	3,000	2,830	170
Supplies and materials	35,000	28,049	6,951
Utilities and telephone	26,500	27,799	(1,299)
Personnel	1,000	-	1,000
Training	3,000	2,330	670
Dues and subscriptions	5,000	5,718	(718)
Office expense	35,000	29,904	5,096
Meals	5,000	2,224	2,776
Miscellaneous	-	98	(98)
Capital outlay	-	82,155	(82,155)
Debt service	150,000	133,491	16,509
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 425,000</u>	<u>\$ 510,675</u>	<u>\$ (85,675)</u>
Excess (deficiency) of revenues over expenditures	(43,000)	(84,834)	
Fund balance, beginning	<u>not budgeted</u>	<u>608,379</u>	
Fund balance, ending	<u>not budgeted</u>	<u>523,545</u>	

The accompanying notes are an integral part of this statement.

Supplemental Information

DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC
DES ALLEMANDS, LOUISIANA

For the Year Ended December 31, 2023

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

Agency Head Name: Brian Champagne, Chief

Purpose	Amount
Salary	0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Dues	0

This form is used to satisfy the reporting requirements of R.S. 24:513(A)(3) on Supplemental Reporting.

**DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC
DES ALLEMANDS, LOUISIANA**

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

Section I - Internal Control and Compliance material to the financial statements

No prior year findings.

Section II - Management Letter

A management letter was issued in the prior year. The Department was advised to break out debt or interest payments on its quarterly financial statements or its annual trial balance, rather than group them as "equipment purchases". The Department has paid off this loan before the issuance of this management letter. Resolved.

**DES ALLEMANDS VOLUNTEER FIRE DEPARTMENT, INC.
DES ALLEMANDS, LOUISIANA**

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

Section I - Internal Control and Compliance material to the financial statements

Ref. No.

2023-01 Inadequate Segregation of Duties

Criteria: Effective internal controls require adequate segregation of duties to allow for prevention and detection of errors and possible misappropriation of funds.

Condition: Due to the limited number of personnel, one individual is responsible for almost all of the key accounting functions of the Department.

Cause: Due to the small number of personnel, the Department did not have adequate segregation of duties within the accounting department.

Effect: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: Based on the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Management's Response to Finding 2023-01:

No response is considered necessary.

Section II - Management Letter

No management letter issued.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



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

**Board of Directors
Des Allemands Volunteer Fire Department, Inc.
Des Allemands, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Des Allemands Volunteer Fire Department, Inc. (the Department), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated June 03, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying corrective action plan for current year findings as item 2023-01 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Des Allemands Volunteer Fire Department, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the findings identified in our audit and described in the accompanying schedule of audit findings and management's corrective action plan. The Department's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Thibodaux, Louisiana
June 03, 2024