



**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

**FINANCIAL REPORT**

**For the Year Ended December 31, 2023**

**T.S. KEARNS & CO.**  
**CPA**

(A Professional Corporation)  
164 West Main Street, Thibodaux, LA 70301  
South end of Canal Boulevard  
(985) 447-8507 Fax (985) 447-4833  
[www.kearnscpa.com](http://www.kearnscpa.com)

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

**FINANCIAL REPORT**

For the year ended December 31, 2023

**TABLE OF CONTENTS**

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

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

**FINANCIAL REPORT**

For the year ended December 31, 2023

	<b>Schedule</b>	<b>Page</b>
<b>Required Supplementary Information</b>		
Budgetary Comparison Schedule – General Fund	1	22
<b>Other Supplemental Information</b>		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	2	23
<b>Reports by Management</b>		
Summary Schedule of Prior Audit Findings	3	24
Corrective Action Plan for Current Year Audit Findings	4	25
<b>Other Report Required By Government Auditing Standards</b>		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		26



## INDEPENDENT AUDITOR'S REPORT

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

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

### **Supplementary Information**

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 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 (GWFS)**

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
BAYOU GAUCHE, LOUISIANA

**STATEMENT OF NET POSITION**  
December 31, 2023

	<u>Governmental Activites</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 348,636
Prepaid insurance	29,010
Due from Government - Sales taxes	24,759
Total current assets	<u>402,405</u>
Noncurrent assets:	
Capital assets, not being depreciated	24,000
Capital assets, net of accumulated depreciation	2,060,682
Total noncurrent assets	<u>2,084,682</u>
<b>Total Assets</b>	<u><u>\$ 2,487,086</u></u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	15,825
Accrued interest payable	1,559
Long term liabilities due < 1 year	25,536
Total current liabilities	<u>42,920</u>
Noncurrent liabilities	
Long term liabilities due > 1 year	749,473
Total noncurrent liabilities	<u>749,473</u>
<b>Total Liabilities</b>	<u><u>\$ 792,393</u></u>
<b>Net Position</b>	
Net investment in capital assets	1,308,114
Net Position - Unrestricted	<u>386,579</u>
<b>Total Net Position</b>	<u><u>\$ 1,694,693</u></u>

The accompanying notes are an integral part of this statement



**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**

BAYOU GAUCHE, 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	
<b>Expenses:</b>				
Governmental activities:				
Public safety - fire protection:				
Repairs and maintenance	\$ 76,774	\$ -	\$ -	\$ (76,774)
Professional services	37,016	-	-	(37,016)
Insurance	54,463	-	-	(54,463)
Fuel	2,593	-	-	(2,593)
Small furniture and equipment	9,652	-	-	(9,652)
Supplies and materials	5,021	-	-	(5,021)
Utilities	18,658	-	-	(18,658)
Training	8,557	-	-	(8,557)
Personnel insurance and medical	94	-	-	(94)
Dues and memberships	15,492	-	-	(15,492)
Office expense	13,591	-	-	(13,591)
Installation of officers	1,401	-	-	(1,401)
Meals	5,142	-	-	(5,142)
Miscellaneous	1,159	-	-	(1,159)
Interest expense	41,010	-	-	(41,010)
Depreciation expense	111,467	-	-	(111,467)
<b>Total Governmental activities</b>	<b>\$ 402,091</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (402,091)</b>

**General Revenues:**

Ad valorem tax	\$ 314,740
Sales tax - 1/8 percent	146,293
Fire insurance rebate	13,847
Interest income	210
Other revenues	6,340

<b>Total general revenues</b>	<b>481,430</b>
-------------------------------	----------------

<b>Change in net position</b>	<b>79,339</b>
-------------------------------	---------------

<b>Net Position - Beginning (restated, see note 2)</b>	<b>1,615,354</b>
--	------------------

<b>Net Position - Ending</b>	<b>\$ 1,694,693</b>
------------------------------	---------------------

# **Basic Financial Statements**

## **Fund Financial Statements (FFS)**

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

Balance Sheet - Governmental Funds  
December 31, 2023

	General Fund (Major)	Private Contributions Fund (Non-Major)	Total (Memo Only)
<b>Assets</b>			
Cash and cash equivalents	\$ 339,436	\$ 9,200	\$ 348,636
Prepaid Insurance	29,010	-	29,010
Due from Government - Sales taxes	24,759	-	24,759
<b>Total Assets</b>	<b>393,205</b>	<b>9,200</b>	<b>402,405</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	15,825	-	15,825
<b>Total Liabilities</b>	<b>15,825</b>	<b>-</b>	<b>15,825</b>
<b>Fund balance</b>			
Nonspendable - prepaid expenses	29,010	-	29,010
Assigned - debt service	63,624	-	63,624
Unassigned	284,746	9,200	293,946
<b>Total Fund Balance</b>	<b>\$ 377,380</b>	<b>\$ 9,200</b>	<b>\$ 386,580</b>

The accompanying notes are an integral part of this statement

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**

BAYOU GAUCHE, LOUISIANA

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

For the year ended December 31, 2023

	<b>General Fund</b>	<b>Private Contributions Fund (Non-major)</b>	<b>Total (Memo Only)</b>
<b>Revenues</b>			
Ad valorem tax	\$ 314,740	\$ -	\$ 314,740
Sales tax - 1/8 percent	146,293	-	146,293
Fire insurance rebate	13,847	-	13,847
Interest income	206	4	210
Other revenues	3,022	3,318	6,340
<b>Total revenues</b>	<b>478,108</b>	<b>3,322</b>	<b>481,430</b>
<b>Expenditures</b>			
Public safety - fire protection:			
Current:			
Repairs and maintenance	\$ 76,774	-	\$ 76,774
Professional services	37,016	-	37,016
Insurance	54,463	-	54,463
Fuel	2,593	-	2,593
Supplies and materials	5,021	-	5,021
Small furniture and equipment	9,652	-	9,652
Utilities	18,658	-	18,658
Training	8,557	-	8,557
Medical	94	-	94
Dues and memberships	15,492	-	15,492
Office expense	13,591	-	13,591
Installation of officers	1,401	-	1,401
Meals	5,142	-	5,142
Miscellaneous	187	972	1,159
Debt Service:			
Debt retirement	24,173	-	24,173
Interest expense	39,450	-	39,450
Capital Outlay:			
Equipment purchases	89,005	-	89,005
Buildings	15,483	-	15,483
<b>Total expenditures</b>	<b>416,755</b>	<b>972</b>	<b>417,727</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>61,353</b>	<b>2,350</b>	<b>63,703</b>
<b>Fund Balance - Beginning (restated, see note 2)</b>	<b>316,027</b>	<b>6,850</b>	<b>322,876</b>
<b>Fund Balance - End of Year</b>	<b>\$ 377,380</b>	<b>\$ 9,200</b>	<b>\$ 386,580</b>

The accompanying notes are an integral part of this statement

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**

BAYOU GAUCHE, LOUISIANA

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

December 31, 2023

Total Fund Balances - Governmental Funds at December 31, 20223 \$ 386,580

Total net position reported for governmental activities in the statement of net position is 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	\$ 24,000	
Land improvements, net of \$ 19,458 accumulated depreciation	5,405	
Buildings, net of \$ 382,336 accumulated depreciation	1,778,197	
Vehicles, net of \$ 1,292,339 accumulated depreciation	144,647	
Equipment, net of \$ 523,463 accumulated depreciation	<u>132,433</u>	2,084,682

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	(1,559)	
Long-term liabilities	<u>(775,009)</u>	<u>(776,568)</u>

Total Net Position - Governmental activities at December 31, 2023 \$ 1,694,693

The accompanying notes are an integral part of this statement

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**

BAYOU GAUCHE, LOUISIANA

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

For the Year Ended December 31, 2023

Total net changes in fund balances at December 31, 2023 per  
Statement of Revenues, Expenditures and Changes in Fund Balances \$ 63,703

Total change in net position reported for governmental activities in the  
Statement of Activities is different because:

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

Capital outlay which is considered expenditures on the Statement of Revenue, Expenditures and Changes in Fund Balances	104,489	
Depreciation expense for the year ended December 31, 2023	<u>(111,467)</u>	(6,978)

Governmental funds report debt service 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.

24,173

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.

(1,559)

Change in Net Position - Governmental activities at December 31, 2023 \$ 79,339

## **Notes to the Financial Statements**

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
BAYOU GAUCHE, LOUISIANA**

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

**INTRODUCTION**

The Bayou Gauche 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 Town of Bayou Gauche and surrounding communities, Fire Protection District No.9 of St. Charles Parish.

The Department receives funding from local and state government sources and must comply with the same requirements of these funding source entities. However, the Department is a "primary government" and is not included as a component unit of any other St. Charles Parish governmental "reporting entity" as defined in GASB pronouncements, since the entity is a non-profit corporation, and the board members have decision making authority, the power to designate management, the ability to significantly influence operations 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 Bayou Gauche Volunteer Fire Department, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the Fire Department are discussed below,

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

**Government-Wide Financial Statements (GWFS)**

The statement of 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 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



**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

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

or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue.

**Fund Financial Statements (FFS)**

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

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

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

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.

Governmental Fund – Private Contributions Fund

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

**B. Measurement Focus / Basis of Accounting**

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

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

of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position.

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

#### Basis of Accounting

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

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

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

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

#### **C. Budgets and Budgetary Accounting**

The Department prepares a budget for its general fund which is approved by its board of directors. The budget is reported on the cash basis of accounting. Budgets are not, however, legally adopted nor 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.

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

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

**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.

**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.

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

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

**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.

**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:

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

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

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

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

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

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

## **NOTE 2. PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was needed to correct the beginning balances at January 1, 2023. An entry was made to include the Department's Private Contributions Fund account in the reports. This adjustment increased both cash and fund balance/net position by \$6,850. Another entry was needed to report the short-term construction loan as long-term financing at December 15, 2022 when the promissory note was signed. This entry was made to the fund financial statements to decrease the short-term liabilities and increase fund balance by the amount of the loan, \$799,183.

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

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

**NOTE 3. CASH AND CASH EQUIVALENTS**

At December 31, 2023, the Department has cash and cash equivalents (book balances) totaling \$348,636, as follows:

Demand Deposits	\$ <u>348,636</u>
Total	\$ <u>348,636</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.

Deposit balances (bank balances) at December 31, 2023 in the amount of \$355,809 were secured with \$250,000 of federal deposit insurance and pledged securities of \$105,809, respectively. Deposits secured by pledged securities were 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:

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

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

	Balance at 12/31/2022	Additions	Deletions	Balance at 12/31/2023
Capital assets; not being depreciated:				
Land	\$ 24,000	-	-	\$ 24,000
Total	24,000	-	-	24,000
Capital assets, being depreciated:				
Equipment	573,737	82,164	-	655,901
Buildings	2,144,153	16,375	-	2,160,528
Land improvements	24,863	-	-	24,863
Vehicles	1,430,144	6,841	-	1,436,985
Total	4,172,897	105,381	-	4,278,278
Less: accumulated depreciation	(2,106,129)	(111,467)		(2,217,596)
Total capital, assets being depr; net	2,066,768	(6,086)	-	2,060,682
Total capital assets, net	\$ 2,090,768	\$ (6,086)	\$ -	\$ 2,084,682

Depreciation expense for the year of \$111,467 was charged to public safety.

**NOTE 6. LONG-TERM DEBT**

The Department holds a note payable to First National Bank for the renovations of a fire station. The note's current interest rate is at 4.99% fixed for 4-years, and at Wall Street Prime plus 0.5%, adjusted every 4-years thereafter. The Department is required to pay 36 monthly payments of \$5,302 and an estimated payment of \$6,339 for the 204 months afterwards with a final payment on December 15, 2042. The note is secured by real estate.

A summary of the changes in construction line of credit payable and general long-term debt obligations of the department is as follows:

Long-term obligations payable at December 31, 2022	\$ 786,983
Additions	12,200
Reductions	(24,173)
Long-term obligations payable at December 31, 2023	<u>\$ 775,009</u>

During the year, the department paid \$24,173 in principle and \$39,450 interest expense.

The department has total required principal payments due in less than one year of \$25,536. \$749,473 is the portion of the liability due in more than one year. The schedule of payments for the duration of the remaining note is shown below:

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
BAYOU GAUCHE, LOUISIANA**

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

Year ending December 31,	Principal	Interest	Total Debt Service Requirement
2024	25,536	38,088	63,624
2025	26,840	36,784	63,624
2026	23,328	51,834	75,162
2027	23,521	51,641	75,162
2028	25,347	49,815	75,162
2029-2032	122,651	177,996	300,647
2033-2036	165,407	135,240	300,647
2037-2042	362,380	88,411	450,791
	<u>\$775,009</u>	<u>\$629,809</u>	<u>\$1,404,818</u>

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.

**NOTE 8. FIRE PROTECTION CONTRACT – SALES TAXES**

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

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



**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.**  
**BAYOU GAUCHE, LOUISIANA**

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

The Department receives a monthly base amount of \$2,500 in sales tax plus 3.78% of the remaining funds. The total revenue under this agreement for the year ended December 31, 2023, was \$146,293.

Due from government – sales taxes at December 31, 2023 of \$24,759, 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.

**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

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
BAYOU GAUCHE, LOUISIANA**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>Revenues:</b>			
Ad valorem tax	\$ 200,000	\$ 314,740	\$ 114,740
Sales tax	100,000	134,061	34,061
Fire insurance rebate	-	13,847	13,847
Interest	-	206	206
Other revenue	-	3,022	3,022
	<u>\$ 300,000</u>	<u>\$ 465,876</u>	<u>\$ 165,876</u>
<b>Expenditures:</b>			
Repairs and maintenance	\$ 143,500	\$ 68,998	\$ 74,502
Professional fees	92,000	35,795	2,205
Insurance	71,500	64,448	7,052
Fuel	8,000	2,225	5,775
Small furniture and equipment	11,000	8,767	2,233
Supplies and materials	7,000	4,784	2,216
Utilities and telephone	25,500	17,119	8,381
Personnel	300	94	206
Training	8,000	7,781	219
Intallation	2,500	1,401	1,100
Dues and subscriptions	-	15,492	(15,492)
Office expense	24,200	15,634	8,566
Meals	7,500	4,581	2,919
Miscellaneous	3,500	187	3,313
Capital outlay	277,500	151,409	126,091
	<u>\$ 682,000</u>	<u>\$ 398,715</u>	<u>\$ 229,285</u>
Excess (deficiency) of revenues over expenditures	(382,000)	67,161	
Fund balance, beginning	<u>not budgeted</u>	<u>272,275</u>	
Fund balance, ending	<u>not budgeted</u>	<u>339,436</u>	

The accompanying notes are an integral part of this statement.

## **SUPPLEMENTAL INFORMATION**

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
BAYOU GAUCHE, LOUISIANA**

For the Year Ended December 31, 2023

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

**Silas Poteet, Chief**

<b>Purpose</b>	<b>Amount</b>
Salary	0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	\$111
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0
Others (Uniforms/Gear)	0

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

## **Reports by Management**

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
BAYOU GAUCHE, 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:**

**Internal Control Over Financial Reporting**

2022-001      Unrecorded Debt

Fiscal year finding initially occurred: 2021

CONDITION: The Department did not adequately record debt activity in its accounting system.

CURRENT STATUS: Resolved.

**Section II – Management Letter:**

A management letter was issued in the prior year. The Department was recommended that they review its current retention policies to make sure that they are consistently and routinely followed. Resolved.

**BAYOU GAUCHE VOLUNTEER FIRE DEPARTMENT, INC.  
BAYOU GAUCHE, 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**

There were no findings issued in the current year.

**Section II – Management Letter:**

There was no management letter issued in the current year.



**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  
Bayou Gauche Volunteer Fire Department, Inc.  
Bayou Gauche, 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 Bayou Gauche 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

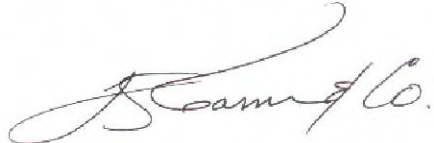
**Report on Compliance and Other Matters**

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

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

### **Purpose of this Report**

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



Thibodaux, Louisiana  
June 03, 2024