



# PARADIS VOLUNTEER FIRE DEPARTMENT, INC.

PARADIS, LOUISIANA

## FINANCIAL REPORT

For the Year Ended December 31, 2022

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


(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)

# PARADIS VOLUNTEER FIRE DEPARTMENT, INC.

Paradis, Louisiana

## FINANCIAL REPORT

For the year ended December 31, 2022

### TABLE OF CONTENTS

	Statement	Page
<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

# PARADIS VOLUNTEER FIRE DEPARTMENT, INC.

Paradis, Louisiana

## FINANCIAL REPORT

For the year ended December 31, 2022

	Schedule	Page
<b>Required Supplementary Information</b>		
Budgetary Comparison Schedule – General Fund	1	23
<b>Supplemental Information Schedules</b>		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	2	24
<b>Reports by Management</b>		
Summary Schedule of Prior Audit Findings	3	25
Corrective Action Plan for Current Year Audit Findings	4	26
<b>Other Report Required By <i>Government Auditing Standards</i></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>		27



## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
Paradis Volunteer Fire Department, Inc.  
Paradis, 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 Paradis Volunteer Fire Department, Inc. (the Department) as of and for the year ended December 31, 2022, 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 Paradis Volunteer Fire Department, Inc. as of December 31, 2022 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 20, 2023 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 20, 2023

# **Basic Financial Statements**

## **Government-Wide Financial Statements**

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
PARADIS, LOUISIANA

STATEMENT OF NET POSITION  
December 31, 2022

		<u>Governmental Activites</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$	870,738
Prepaid insurance		15,421
Receivables:		
Ad valorem taxes		321,494
Sales taxes		33,209
Total current assets		<u>1,240,861</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation		<u>1,216,695</u>
Total noncurrent assets		<u>1,216,695</u>
<b>Total Assets</b>	<b>\$</b>	<b><u><u>2,457,556</u></u></b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$	14,615
Accrued payroll		1,592
Long term liabilities due < 1 year		<u>48,173</u>
Total current liabilities		<u>64,380</u>
Noncurrent liabilities		
Long term liabilities due > 1 year		<u>143,211</u>
Total noncurrent liabilities		<u>143,211</u>
<b>Total Liabilities</b>	<b>\$</b>	<b><u><u>207,591</u></u></b>
<b>Deferred Inflows of Resources</b>		
Ad valorem tax revenue	\$	<u>24,494</u>
<b>Total Deferred Inflows of Resources</b>	<b>\$</b>	<b><u><u>24,494</u></u></b>
<b>Net Position</b>		
Net investment in capital assets	\$	1,025,310
Net position - Unrestricted		<u>1,200,161</u>
<b>Total Net Position</b>	<b>\$</b>	<b><u><u>2,225,471</u></u></b>

The accompanying notes are an integral part of this statement



**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**

PARADIS, LOUISIANA

Statement of Activities  
For the Year Ended December 31, 2022

	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:				
Salaries and related benefits	\$ 72,929	-	-	\$ (72,929)
Repairs and maintenance	33,291	-	-	(33,291)
Professional services	9,700	-	-	(9,700)
Insurance	44,917	-	-	(44,917)
Fuel	8,748	-	-	(8,748)
Supplies and materials	11,773	-	-	(11,773)
Utilities	31,205	-	-	(31,205)
Training	3,333	-	-	(3,333)
Personnel insurance and medical	2,704	-	-	(2,704)
Dues and memberships	4,295	-	-	(4,295)
Office expense	20,992	-	-	(20,992)
Installation of officers	1,372	-	-	(1,372)
Meals	6,820	-	-	(6,820)
Miscellaneous	1,683	-	-	(1,683)
Depreciation expense	143,897	-	-	(143,897)
Interest Expense	9,339	-	-	(9,339)
<b>Total Governmental activities</b>	<b>\$ 406,998</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (406,998)</b>

**General Revenues:**

Ad valorem tax	\$ 297,000
Sales tax - 1/8 percent	161,632
Fire insurance rebate	16,509
Interest income	625
Other revenues	4,063

**Total general revenues** \$ 479,829

**Change in net position** \$ 72,831

**Net Position - Beginning** 2,152,641

**Net Position - Ending** \$ 2,225,471

The accompanying notes are an integral part of this statement

# **Basic Financial Statements**

## **Fund Financial Statements**

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
PARADIS, LOUISIANA

Balance Sheet - Governmental Funds  
December 31, 2022

	<u>General Fund</u>	<u>Private Contributions Fund (Non-Major)</u>	<u>Totals (Memo Only)</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 855,241	\$ 15,497	\$ 870,738
Prepaid Insurance	15,420	-	15,420
Receivables:			
Ad valorem taxes	321,494	-	321,494
Sales taxes	33,209	-	33,209
<b>Total Assets</b>	<u>1,225,364</u>	<u>15,497</u>	<u>1,240,861</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	14,615	-	14,615
Accrued payroll	1,592	-	1,592
<b>Total Liabilities</b>	<u>16,207</u>	<u>-</u>	<u>16,207</u>
<b>Deferred Inflows of Resources</b>			
Ad valorem tax revenue	24,494	-	24,494
<b>Total Deferred Inflows of Resources</b>	<u>24,494</u>	<u>-</u>	<u>24,494</u>
<b>Fund balance</b>			
Nonspendable - prepaid expenses	15,420	-	15,420
Fund Balance - Unassigned	1,169,244	15,497	1,184,741
<b>Total Fund Balance</b>	<u>\$ 1,184,664</u>	<u>\$ 15,497</u>	<u>\$ 1,200,161</u>

The accompanying notes are an integral part of this statement

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**

PARADIS, LOUISIANA

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

For the Year Ended December 31, 2022

	General Fund	Private Contributions Fund (Non-Major)	Totals (Memo Only)
<b>Revenues</b>			
Ad valorem tax	\$ 297,000		\$ 297,000
Sales tax - 1/8 percent	161,632		161,632
Fire insurance rebate	16,509		16,509
Interest income	625		625
Other revenues	2,738	\$ 1,325	4,063
<b>Total revenues</b>	<b>\$ 478,504</b>	<b>\$ 1,325</b>	<b>\$ 479,829</b>
<b>Expenditures</b>			
Public safety - fire protection:			
Current:			
Salaries and related benefits	\$ 72,929		\$ 72,929
Repairs and maintenance	33,290		33,290
Professional services	9,700		9,700
Insurance	44,917		44,917
Fuel	8,748		8,748
Supplies and materials	11,772		11,772
Utilities	31,206		31,206
Training	3,333		3,333
Personnel insurance and medical	2,704		2,704
Dues and memberships	4,295		4,295
Office expense	20,992		20,992
Installation of officers	1,372		1,372
Meals	6,820		6,820
Miscellaneous	515	\$ 1,170	1,685
Capital Outlay:			
Equipment purchases	11,505		11,505
Retirement of long-term debt:			
Debt Service	46,030		46,030
Interest	9,339		9,339
<b>Total expenditures</b>	<b>\$ 319,467</b>	<b>\$ 1,170</b>	<b>\$ 320,637</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>\$ 159,037</b>	<b>\$ 155</b>	<b>\$ 159,192</b>
<b>Fund Balance - Beginning</b>	<b>1,025,627</b>	<b>15,342</b>	<b>1,040,969</b>
<b>Fund Balance - End of Year</b>	<b>\$ 1,184,664</b>	<b>\$ 15,497</b>	<b>\$ 1,200,161</b>

The accompanying notes are an integral part of this statement

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**

PARADIS, LOUISIANA

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

December 31, 2022

Total Fund Balances - Governmental Funds \$ 1,200,161

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 1,216,695

Long-term liabilities are not due and payable in the current  
period and therefore not reported in the governmental funds (191,385)

Total Net Position - Governmental activities \$ 2,225,471

The accompanying notes are an integral part of this statement

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**

PARADIS, 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, 2022

Net Change in Fund Balances - Governmental Funds \$ 159,192

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	11,505	
Depreciation expense	<u>(143,897)</u>	(132,392)

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.

46,031

Change in Net Position - Governmental activities

\$ 72,831

The accompanying notes are an integral part of this statement

## **Notes to the Financial Statements**

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

**INTRODUCTION**

The Paradis 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 Paradis 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



**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

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.

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

**C. 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

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

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 Department's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. 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.

**E. Encumbrances**

The Department does not use encumbrance accounting.

**F. 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.

**G. 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.

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

**H. Prepaid Expenditures**

Payments made for goods and services that will benefit periods beyond December 31, 2022 have been recorded as prepaid expenditures.

**I. Receivables**

Ad Valorem taxes are levied on a calendar year basis and become delinquent on January 1 of each year. Delinquent property taxes are considered fully collectible and therefore no allowance for uncollectible fees is provided. Any prior-year delinquent property taxes are recorded as receivable; in addition to the current year assessment.

Sales tax receivables are recorded based on current year actual amounts collected within 60 days after year end.

**J. 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.

**K. 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.

**L. 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.

**M. 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:

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

Description	Estimated Lives
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.

**N. 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.

**O. 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.

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

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. CASH AND CASH EQUIVALENTS**

At December 31, 2022, the department has demand deposits and certificates of deposit (book balances) totaling \$870,738, as follows:

Demand Deposits	\$ 770,738
Time and Savings Deposits	<u>100,000</u>
Total	<u>\$ 870,738</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 3. 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

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.  
PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

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, 2022 in the amount of \$870,801 were secured with \$350,000 of federal deposit insurance and pledged securities of \$520,801, 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 4. RECEIVABLES**

Receivables at December 31, 2022 consisted of Ad Valorem taxes in the amount of \$321,494, this amount represents current year tax roll, in addition to prior year delinquent taxes and sales taxes in the amount of \$33,209.

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Balance 12/31/2021</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance 12/31/2022</u>
Capital assets being depreciated:				
Equipment	\$ 627,854	\$ 11,505	-	\$ 665,134
Buildings	1,011,648	-	-	1,011,648
Vehicles	1,483,481	-	-	1,483,481
Totals	<u>3,148,758</u>	<u>11,505</u>	<u>-</u>	<u>3,160,264</u>
Less: accumulated depreciation	<u>(1,799,672)</u>	<u>(143,897)</u>	<u>-</u>	<u>(1,943,569)</u>
Net capital assets	<u>\$ 1,349,086</u>	<u>\$(132,392)</u>	<u>-</u>	<u>\$1,216,695</u>

Depreciation expense for the year of \$143,897 was charged to public safety.

**NOTE 6. LONG-TERM DEBT**

On September 28, 2021, the Department obtained financing for a new fire apparatus. The amount financed was \$248,654 and is secured by excess annual revenues above statutory,

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

necessary and usual charges for each of the fiscal years during which the debt is outstanding. Interest on the loan is 4.25% with a maturity date of September 2026.

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

Long-term obligations payable at December 31, 2021	\$	237,414
Additions		
Reductions		(46,030)
Long-term obligations payable at December 31, 2022		191,384

During the year, the department paid \$46,030 in principle and \$9,339 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
2023	48,173	7,197	55,369
2024	50,260	5,109	55,369
2025	52,439	2,931	55,369
2026	40,512	697	41,209
	\$191,384	\$15,934	\$207,317

The department had no short-term debt in 2022.

**NOTE 7. AD VALOREM TAX**

Effective July 21, 1990, the voters of St. Charles Parish approved a property tax millage in the amount of 1.6 mills. This tax is collected by the St. Charles Parish Sheriff to be used for the fire protection of the Parish of St. Charles. The funds are distributed to the nine individual Fire Departments of the St. Charles Parish Firemen's Association, Inc. by the parish's Department of Finance. The department's share of the total property tax for the year ended December 31, 2022 was \$297,000 paid at a millage rate of 1.58.

The St. Charles Parish Assessor levies the ad valorem tax each year on November 15 based upon the assessed value, less homestead exemptions. The 1st day of January preceding the annual levy date (Nov. 15th) is used as the date to value the property subject to tax. The tax becomes due on November 15 and is considered delinquent if not paid by December 31. Most



**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

of the property tax revenues are collected during the months of December, January, and February.

**NOTE 8. TAX ABATEMENTS**

The St. Charles Parish Government enters into property tax abatement agreements with local businesses. Based on various Louisiana economic development programs, local taxing authorities may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions.

For the fiscal year ended December 31, 2022, the Paradis Volunteer Fire Department, Inc.'s portion of the total tax abatements were \$21,976.

**NOTE 9. FIRE PROTECTION CONTRACT**

Effective March 1, 1980, sales tax in the amount of one-eighth of one percent 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.	\$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 4.93% of the remaining funds. The total revenue under this agreement for the year ended December 31, 2022 was \$161,632.

Sales tax receivable at December 31, 2022 of \$33,209 consists of the department's share of the 1/8<sup>th</sup> cent sales tax for the months of November and December 2022, collected by the St. Charles Parish School Board and remitted by St. Charles Parish in January and February 2023.

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
**PARADIS, LOUISIANA**

Notes to the Financial Statements  
For the year ended December 31, 2022

**NOTE 10. LEASES**

The department has two leases for the two pieces of land that its stations are on. The first lease is for the piece of land where Station #61 is located. This lease is with Ms. Margaret Dewitt and states that the department may use the land exclusively at no cost as long as it is providing fire protection. The second lease is for the piece of land where Station #62 is located. This lease is with Texaco and states that the department may use the land exclusively at no cost as long as it is providing fire protection. These two agreements do not meet the definition of a lease under GASB 87 and are not reported as such in the financial statements.

**NOTE 11. 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 12. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 20, 2023, which is the date the financial statements were available to be issued.

**NOTE 13. LITIGATION AND CLAIMS**

At December 31, 2022, the department had no litigation or claims pending.

## Required Supplemental Information

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC**  
**Paradis, Louisiana**

**Budget Comparison Schedule**  
**General Fund - Non-GAAP (Cash) Basis**  
**For the Year ended December 31, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>Revenues:</b>			
Ad valorem tax	\$ 285,000	\$ 251,750	\$ (33,250)
Sales tax	150,000	139,280	(10,720)
Fire insurance rebate	-	16,509	16,509
Interest	-	625	625
Other revenue	-	19,247	19,247
	<u>\$ 435,000</u>	<u>\$ 427,411</u>	<u>\$ (7,589)</u>
<b>Expenditures:</b>			
Repairs and maintenance	264,610	33,325	231,285
Professional fees	10,000	9,700	300
Insurance	56,400	42,008	14,392
Fuel	6,000	8,194	(2,194)
Supplies and materials	26,000	12,165	13,835
Utilities and telephone	28,200	30,279	(2,079)
Personnel	85,000	75,149	9,851
Training	13,000	3,333	9,667
Intallation	5,000	1,372	3,628
Dues and subscriptions	3,675	3,845	(170)
Office expense	17,815	22,204	(4,389)
Meals	5,000	6,235	(1,235)
Miscellaneous	-	465	(465)
Capital outlay	308,000	13,358	294,643
Debt service	56,000	55,369	631
	<u>\$ 884,700</u>	<u>\$ 317,001</u>	<u>\$ 567,699</u>
Excess (deficiency) of revenues over expenditures	(449,700)	110,410	
Fund balance, beginning	<u>not budgeted</u>	<u>1,025,627</u>	
Fund balance, ending	<u>not budgeted</u>	<u>1,136,036</u>	

The accompanying notes are an integral part of this statement.

## **Supplemental Information**

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**  
PARADIS, LOUISIANA

For the Year Ended December 31, 2022

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

**Agency Head Name: Oliver Dufrene, Jr., 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	0
Travel	\$150
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.

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.  
PARADIS, LOUISIANA**

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2022**

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

**Ref. No.**

1221-001

**Description of Finding**

Inadequate Segregation of Duties

The size of the Paradis Volunteer Fire Department, Inc.'s operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

**Corrective Action Taken**

This deficiency cannot be remedied in a cost-effective manner.

**Name of Contact Person**

Hannah D. Rawls, Treasurer

**Section II - Management Letter**

No management letter was issued in the prior year.

**PARADIS VOLUNTEER FIRE DEPARTMENT, INC.  
PARADIS, LOUISIANA**

**Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2022**

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

**Ref. No.**

2022-01      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 2022-01:**

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  
Paradis Volunteer Fire Department, Inc.  
Paradis, 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 Paradis Volunteer Fire Department, Inc. (the Department), as of and for the year ended December 31, 2022, 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 20, 2023.

**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 2022-01 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

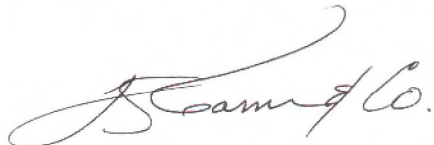
direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required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

### **Paradis 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 20, 2023