



KILLONA VOLUNTEER FIRE DEPARTMENT, INC.

KILLONA, LOUISIANA

FINANCIAL REPORT

As of and for the Year Ended December 31, 2024



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KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

FINANCIAL REPORT

For the year ended December 31, 2024

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KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

FINANCIAL REPORT

For the year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Killona Volunteer Fire Department, Inc.
St. Charles Parish, 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 Killona Volunteer Fire Department, Inc. (the Department) as of and for the year ended December 31, 2024, 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 Killona Volunteer Fire Department, Inc. as of December 31, 2024 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 and the *Louisiana Governmental Audit Guide*. 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* and the *Louisiana Governmental Audit Guide* 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* and the *Louisiana Governmental Audit Guide*, 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 Schedule on page 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 accompanying supplementary information, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer 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 November 12, 2025 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
November 12, 2025

Basic Financial Statements

Government-Wide Financial Statements (GWFS)

	Governmental Activites
ASSETS	
Current assets	
Cash and cash equivalents	\$ 93,502
Prepaid insurance	16,233
Due from Government - Sales & ad valorem taxes	22,505
Total current assets	<u>132,239</u>
Noncurrent assets	
Capital assets, not being depreciated	80,000
Capital assets, net of accumulated depreciation	437,707
Total noncurrent assets	<u>517,707</u>
Total assets	<u><u>\$ 649,947</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	6,345
Accrued payroll and related expense	1,694
Long term liabilities due < 1 year	8,305
Total current liabilities	<u>16,344</u>
Noncurrent liabilities	
Long term liabilities due > 1 year	10,361
Total noncurrent liabilities	<u>10,361</u>
Total liabilities	<u><u>\$ 26,705</u></u>
NET POSITION	
Net investment in capital assets	499,041
Unrestricted	124,201
Total net position	<u><u>\$ 623,242</u></u>

The accompanying notes are an integral part of this statement.

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
Killona, Louisiana

Statement of Activities
For the Year Ended December 31, 2024

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Expenses:				
Governmental activities:				
Public safety - fire protection:				
Repairs and maintenance	\$ 133,347	\$ -	\$ -	\$ (133,347)
Professional fees	28,810	-	-	(28,810)
Insurance	33,980	-	-	(33,980)
Fuel	10,697	-	-	(10,697)
Supplies and materials	15,246	-	-	(15,246)
Small furniture and equipment	5,287	-	-	(5,287)
Utilities and telephone	27,992	-	-	(27,992)
Personnel	146,194	-	-	(146,194)
Fire prevention	169	-	-	(169)
Training	4,793	-	-	(4,793)
Dues and subscriptions	9,532	-	-	(9,532)
Office expense	2,690	-	-	(2,690)
Meals	1,625	-	-	(1,625)
Miscellaneous	2,094	-	-	(2,094)
Interest expense	6,883	-	-	(6,883)
Depreciation expense	86,412	-	-	(86,412)
Loss on disposal of assets	5,802	-	-	(5,802)
Total governmental activities	\$ 521,552	\$ -	\$ -	\$ (521,552)

General Revenues:

Ad valorem tax	\$ 360,000
Sales tax	70,156
Fire Insurance Rebate	5,206
Interest income	159
Miscellaneous income	6,807
Donations received	12,500
Proceeds from insurance claim	18,433

Total general revenues 473,261

Change in net assets (48,291)

Net position:

Beginning of the year 671,533

End of the year \$ 623,242

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements (FFS)

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
Killona, Louisiana

Balance Sheet - Governmental Fund
December 31, 2024

	General Fund (major)	Non-Public Revenue Fund (non-major)	Total (Memo Only)
ASSETS			
Cash and cash equivalents	\$ 86,998	\$ 6,504	\$ 93,502
Prepaid insurance	16,233		16,233
Due from government - Sales and ad valorem taxes	22,505		22,505
Total assets	<u>125,735</u>	<u>6,504</u>	<u>132,239</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	6,345	-	6,345
Accrued payroll and related expenses	1,694	-	1,694
Total liabilities	<u>8,039</u>	<u>-</u>	<u>8,039</u>
Fund balance			
Nonspendable - prepaid expenses	16,233	-	16,233
Unassigned	101,463	6,504	107,968
Total Fund Balance	<u>117,696</u>	<u>6,504</u>	<u>124,200</u>
Total liabilities and fund equity	<u>\$ 125,735</u>	<u>\$ 6,504</u>	<u>\$ 132,239</u>

The accompanying notes are an integral part of this statement.

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
Killona, Louisiana

Statement Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General Fund (major)	Non-Public Revenue Fund (Non-major)	Total (Memo Only)
REVENUES			
Ad valorem tax	\$ 360,000	\$ -	\$ 360,000
Sales tax	70,156	-	70,156
Fire insurance rebate	5,206	-	5,206
Donations	-	2,500	2,500
Interest	158	1	159
Other revenue	4,632	2,175	6,807
Total revenues	440,152	4,676	444,828
EXPENDITURES			
Public safety - fire protection:			
Current:			
Repairs and maintenance	133,347	-	133,347
Professional fees	28,810	-	28,810
Insurance	33,980	-	33,980
Fuel	10,697	-	10,697
Supplies and materials	15,246	-	15,246
Small furniture and equipment	5,287	-	5,287
Utilities and telephone	27,992	-	27,992
Personnel	146,194	-	146,194
Fire prevention	169	-	169
Training	4,793	-	4,793
Dues and subscriptions	9,532	-	9,532
Office expense	2,629	-	2,629
Meals	1,625	-	1,625
Miscellaneous	834	1,321	2,156
Capital outlay	88,754	-	88,754
Debt Service:			
Principle retirement	204,978	-	204,978
Interest expense	6,883	-	6,883
Total expenditures	721,749	1,321	723,070
Excess of revenues over/(under) expenditures	(281,597)	3,355	(278,242)
Other Financing Sources (Uses)			
Proceeds from insurance claim	18,433	-	18,433
Proceeds from sale of capital assets	300,000	-	300,000
Total other financing sources and uses	318,433	-	318,433
Excess (deficiency) of revenues and other sources			
Over expenditures and other uses	36,836	3,355	40,191
Fund balance - beginning of year	80,860	3,150	84,009
Fund balance - end of year	\$ 117,696	\$ 6,504	\$ 124,200

The accompanying notes are an integral part of this statement.

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
Killona, Louisiana

**Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
December 31, 2024**

Total Fund Balances - Governmental Funds	\$ 124,200
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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 Funds Balance Sheet	517,707
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Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds	<u>(18,666)</u>
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Total Net Position - Governmental activities	<u><u>\$ 623,242</u></u>
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The accompanying notes are an integral part of this statement.

KILLONA VOLUNTEER FIRE DEPARTMENT, INC
Killona, 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, 2024**

Net Change in Fund Balances - Governmental Funds	\$	40,191
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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 cost of those assets is allocated over there
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	\$	88,754	
Capital asset donation		10,000	
Proceeds of capital assets		(300,000)	
Loss on disposal of assets		(5,802)	
Depreciation expense for the year ended December 31, 2024		(86,412)	
			(293,460)

Governmental funds report debt service principal 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

204,978

Change in Net Position - Governmental activities	\$	(48,291)
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Notes to the Financial Statements

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2024

INTRODUCTION

The Killona 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 Killona area, Fire Protection District No.10 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 Killona 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

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2024

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 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.

Non-Major Fund:

Governmental Fund – Non-Public Revenue Fund

The purpose of the non-public revenue 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.

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2024

B. Measurement Focus / Basis of Accounting

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

Measurement Focus

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

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

Basis of Accounting

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

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

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

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2024

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 periodically by the board of directors and compared to actual expenditures for use in managing expenditures.

While the Department reports financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented as RSI for each major governmental fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and GAAP basis are for revenue and expenditure accruals.

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

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
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Notes to the Financial Statements
For the year ended December 31, 2024

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, 2024 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.

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:

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

Notes to the Financial Statements
For the year ended December 31, 2024

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Improvements	10-40 years
Equipment & 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. Compensated Absences

Full-time employees earn 80 hours of Paid Time Off (PTO) on January 1 of each year. All PTO must be used by December 31st of each year. Unused leave cannot be forwarded to the following year; therefore, a liability for compensated absences is not recorded.

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

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2024

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.

P. Recently Issued and Implemented Accounting Pronouncements

The Department adopted the following statements during the year ended December 31, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

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

Notes to the Financial Statements
For the year ended December 31, 2024

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. There were no significant impacts of implementing this Statement.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2024, the Department has cash and cash equivalents (book balances) totaling \$93,502, as follows:

Demand Deposits	\$ 45,227
Time and savings deposits	<u>48,270</u>
Total	<u>\$ 93,502</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 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, 2024 were secured by the federal deposit insurance corporation (FDIC). The Department does not have a policy for custodial credit risk.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

Notes to the Financial Statements
For the year ended December 31, 2024

	Balance at			Balance at
	12/31/2023	Additions	Deletions	12/31/2024
Capital assets; not being depreciated:				
Deposit on capital asset	\$ -	\$ 50,000	\$ -	\$ 50,000
Land	30,000	-	-	30,000
Total	30,000	50,000	-	80,000
Capital assets, being depreciated:				
Equipment	744,668	38,754	(64,765)	718,656
Buildings	895,405	-	-	895,405
Improvements	16,500	-	-	16,500
Vehicles	994,382	10,000	(607,463)	396,920
Total	2,650,955	48,754	(672,228)	2,027,481
Less: accumulated depreciation	(1,869,787)	(86,412)	366,426	(1,589,774)
Total capital, assets being depr; net	781,168	(37,659)	(305,802)	437,707
Total capital assets, net of depreciation	\$ 811,168	\$ 12,341	\$ (305,802)	\$ 517,707

Depreciation expense for the year of \$ 86,412 was charged to public safety.

NOTE 5. LONG-TERM DEBT

During the fiscal year ended December 31 2020, Killona Volunteer Fire Department, Inc. purchased a 2020 F-150 as part of the fire protection fleet used by the department. The Department incurred debt in the amount of \$48,193. The annual interest rate is 7.84%. The required debt service for the upcoming fiscal year is \$10,127.

During the fiscal year ended December 31 2021, Killona Volunteer Fire Department, Inc. purchased a 2021 Pierce Freightliner as part of the fire protection fleet used by the department. The Department incurred debt in the amount of \$278,782. The annual interest rate is 4.25%. In October 2024, the Department sold this unit for \$300,000, using the proceeds to pay off this debt.

The following is a summary of the transactions of the notes payable during the year:

Long-term obligations payable at	
December 31, 2023	\$223,644
Additions	-
Reductions	(204,978)
Long-term obligations payable at	
December 31, 2024	<u>\$ 18,666</u>

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

Notes to the Financial Statements
For the year ended December 31, 2024

All principal and interest requirements are funded in accordance with Louisiana law by the general revenues of the District. The amounts due on outstanding debt, including interest, are as follows:

Year ending December 31,	Principal	Interest	Total Debt Service Requirement
2025	8,980	1,147	10,127
2026	9,686	417	10,127
	<u>\$ 18,666</u>	<u>\$ 1,564</u>	<u>\$ 20,254</u>

During fiscal year ended December 31, 2024, the Department contracted to purchase a new fire unit, a 2025 Spartan ERV-Model 2108 Pumper. The total purchase price of this unit will be \$717,645. The Department paid \$50,000 in 2024 as a down payment and will finance the remaining \$667,645 upon receipt of the unit, which is expected to take place in the upcoming year.

NOTE 6. 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, 2024 was \$360,000.

NOTE 7. 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.	\$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%

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

**Notes to the Financial Statements
For the year ended December 31, 2024**

The Department receives a monthly base amount of \$2,500 in sales tax plus 1.47% of the remaining funds. The total revenue under this agreement for the year ended December 31, 2024, was \$70,156.

Due from government - sales taxes at December 31, 2024 of \$22,505, consists of the Department's share of the 1/8th cent sales tax for the months of November and December 2024, collected by the St. Charles Parish School Board and remitted by St. Charles Parish in January and February 2025.

NOTE 8. 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.

NOTE 9. 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, 2024 revealed no tax positions that would have a material impact on the financial statements. The 2021 through 2024 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 10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 12, 2025, which is the date the financial statements were available to be issued.

NOTE 11. LITIGATION AND CLAIMS

At December 31, 2024, the Department had no litigation or claims pending.

Required Supplemental Information

KILLONA VOLUNTEER FIRE DEPARTMENT, INC
Killona, Louisiana

Budget Comparison Schedule
General Fund - Non-GAAP (Cash) Basis
For the Year ended December 31, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:			
Ad valorem tax	\$ 250,000	\$ 350,000	\$ 100,000
Sales tax	60,000	70,335	10,335
Interest	-	158	158
Other revenue	-	99,547	99,547
	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 310,000	\$ 520,040	\$ 210,040
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Repairs and maintenance	157,650	135,556	22,094
Professional fees	23,500	35,810	(12,310)
Insurance	35,000	34,563	437
Fuel	13,000	10,697	2,303
Supplies and materials	5,000	1,067	3,933
Small furniture and equipment	20,000	19,091	909
Utilities and telephone	32,000	27,527	4,473
Personnel	185,500	145,290	40,210
Training	19,000	6,292	12,708
Fire prevention	2,500	169	2,331
Dues and subscriptions	10,150	9,532	618
Office expense	6,400	2,636	3,764
Meals	9,000	1,559	7,441
Miscellaneous	375	26	349
Capital outlay	83,500	38,754	44,746
Debt service	-	33,137	(33,137)
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 602,575	\$ 501,706	\$ 100,869
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	(292,575)	18,334	
Fund balance, beginning	<u>not budgeted</u>	<u>71,027</u>	
Fund balance, ending	<u>not budgeted</u>	<u>89,361</u>	

The accompanying notes are an integral part of this statement.

Supplemental Information

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

For the Year Ended December 31, 2024

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

Trevell Gordon, Chief

Purpose	Amount
Salary	\$19,600
Benefits-insurance	0
Benefits-retirement	196
Benefits-employer FICA	1,499
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0
Others (Uniforms/Gear)	0

This form is used to satisfy the reporting requirements of R.S. 24:513(A)(3) on Supplemental Reporting. Under those requirements, only payments made with public funds are required to be reported.

Reports by Management

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

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024**

Section I – Internal Control and Compliance Material to the Financial Statements:

2023-01 Inadequate Segregation of Duties

Condition: The size of the Killona 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: No action taken, see 2024-01

2023-02 Inadequate Controls over Payroll Processing

Condition: There were two instances where the Chief's \$700 per month stipend was paid twice, in error. The Chief was allowed to submit his payroll for processing without approval.

Corrective Action Taken: Resolved, a person has been appointed to review the Chief's payroll prior to submitting for processing

2023-03 Inadequate Controls over Supporting Documentation – Member's Private Contribution Account

Condition: The Department could not produce any supporting documentation for receipts (totaling \$4,635) nor for disbursements (totaling \$4,215) for the members' private contributions account.

Corrective Action Taken: Partially resolved, for 2024 there were only two disbursements totaling \$505 which did not have proper support and two deposits totaling \$900 without proper support.

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

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024**

**2023-04 Noncompliance with Article VII of the Louisiana Constitution –
Uniforms assigned to Employees**

Condition: The Department purchased and issued “uniforms” to two employees without a formal uniform policy nor a signed agreement between the Department and the employee that the uniforms remain the Department’s property.

Corrective Action Taken: No action taken, see 2024-04.

**2023-05 Noncompliance with R.S. 40:1510 - Spending Public Funds on Meals
for Social Event and Unsupported Meals Purchases**

Condition: Funds were paid from the public funds account for expenses associated with a social event as well as for food or meals served outside of events allowable under state law.

Corrective Action Taken: Resolved

2023-06 Noncompliance with State Audit Law Reporting Requirements

Condition: The Department did not submit its 2023 annual financial report to the Louisiana Legislative Auditor by the statutory deadline of June 30.

Corrective Action Taken: Resolved

Section II – Management Letter:

There was no management letter issued in the prior year.

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

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2024**

Section I – Internal Control and Compliance Material to the Financial Statements

<u>Ref. No.</u>	2024-01
<u>Condition:</u>	The Department does not have adequate segregation of duties over their accounting functions.
<u>Criteria:</u>	For effective internal controls, there should be an adequate division of responsibilities.
<u>Cause:</u>	Due to the small size of the Department's operations and its limited staff, the Department is precluded from designing an adequate system of segregation of duties over their accounting functions. which is a material weakness in their internal control system.
<u>Effect:</u>	Lack of proper segregation of duties could lead to a higher risk of errors, fraud and noncompliance issues.
<u>Recommendation:</u>	Management should continue to look for ways to strengthen controls within the accounting department using the limited resources at hand.
<u>Management's response:</u>	<p>This is a common deficiency noted in audits of small entities. The department's office does not employ enough people in its accounting department to adequately segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the finding.</p> <p>Therefore, this deficiency cannot be remedied in a cost-effective manner.</p>

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

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

<u>Ref. No.</u>	2024-02
<u>Condition:</u>	Inadequate Controls over Payroll Processing – Lack of Support Authorizing Salary/Pay Rate
<u>Criteria:</u>	Board authorization is required to establish or change employee pay rates. During 2024, it was observed that salary/pay rate increases were paid to all employees. However, there is no written evidence to document that the increases were authorized by the board.
<u>Cause:</u>	There is no policy or procedures established to document pay rates as approved by the board.
<u>Effect:</u>	Lack of proper approvals may cause errors in payroll processing. For effective internal controls, there should be procedures in place to ensure pay rates have proper board authorization.
<u>Recommendation:</u>	Board authorized pay rates should be documented as to the amount and effective date and provided to the bookkeeper and permanently maintained in the employees' personnel file.
<u>Management's response:</u>	The board agrees and will adopt procedures to properly document and maintain authorized pay rates for each employee.

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

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

<u>Ref. No.</u>	2024-03
<u>Condition:</u>	Inadequate Controls over Petty Cash
<u>Criteria:</u>	<p>In reconciling the support for 2024 hall rental to the bank deposits, it was found that there were 35 hall rental entries marked "pd or paid." 27 of these entries noted a dollar amount received totaling \$7,320. However, there was only a total of \$2,275 in possible hall rental deposits made to the Membership account for the year. The question of this discrepancy resulted in the discovery of a petty cash fund in use by the Department. However, there is no petty cash "log" or other supporting documentation for receipts or disbursements from this fund.</p>
<u>Cause:</u>	The Department lacks policies and procedures over Petty Cash.
<u>Effect:</u>	<p>Lack of proper controls over petty cash can create an environment where misappropriation could occur. Because supporting records could not be obtained, an audit of the supporting details for the transactions of this account could not be performed.</p>
<u>Recommendation:</u>	The Department should apply the cash receipts and disbursements procedures to all accounts, including petty cash, and maintain proper support for all transactions.
<u>Management's response:</u>	The board agrees with this recommendation and will discuss with the Chief that a petty cash log is to be maintained recording each. Supporting documentation will also be maintained for each cash disbursement.

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

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

<u>Ref. No.</u>	2024-04
<u>Condition:</u>	Misappropriation of assets
<u>Criteria:</u>	Louisiana state law defines misappropriation as intentionally taking or using anything of value which belongs to another, either without consent of the owner or by fraudulent conduct, with an intent to deprive the owner permanently of whatever is taken.
<u>Cause:</u>	The Department has no policies or procedures in place safeguarding assets issued to volunteers and allows members to “borrow” Department assets. The Department purchased and issued a cell phone, smartwatch, and tablet to a former board member without a formal equipment policy nor a signed agreement between the Department and the volunteer that the equipment remains the Department’s property. The Department did not recover the phone nor smartwatch, with a total cost of \$1,100, and continued to pay for the phone/internet service for those items after the volunteer terminated service with the Department.
<u>Effect:</u>	Failure to recover the cell phone and smartwatch constitute a misappropriation of those assets.
<u>Recommendation:</u>	(1) The Department should adopt a written policy on department provided equipment and require the volunteer to sign documentation outlining the equipment assigned to that volunteer. (2) The Department should immediately cease allowing any member, volunteer, employee or member of the public from “borrowing” equipment or other assets of the Department.
<u>Management’s response:</u>	Management agrees with the recommendation and will develop and adopt recommended policies and procedures immediately as recommended.
<u>Additional information:</u>	See page 32 for LLA’s Template for Reporting Fraud and Misappropriations

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

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

<u>Ref. No.</u>	2024-05
<u>Condition:</u>	Noncompliance with state laws over disposition of surplus assets
<u>Criteria:</u>	Because disposition of surplus property involves the alienation of public property, the transaction must comply with Article VII, Section 14 of the Louisiana Constitution which mandates that, at a minimum, a public entity must recover fair market value when selling surplus movable property. In general, “trading-in” is not allowed. In addition, while the constitution allows for donations of movable surplus property between political subdivisions whose functions include public safety, both political subdivisions must be located within Louisiana.
<u>Cause:</u>	(1) The Department “traded-in” one fire truck unit as part of the purchase of a new unit. The purchase and disposal of the surplus property must be treated as two separate processes, utilizing one of the methods of disposal allowed by state law. An appraisal was not obtained to determine fair market value. (2) The Department donated a fire truck to an out-of-state fire department.
<u>Effect:</u>	Failure to dispose of the surplus vehicles in accordance with state law.
<u>Recommendation:</u>	The board should review the state laws governing disposition of surplus property and adopt procedures to comply with those requirements in the future.
<u>Management’s response:</u>	The board will review the Legislative Auditor’s FAQ on the Disposition of Surplus Property and communicate those requirements to all necessary personnel.

Section II – Management Letter:

There was no management letter issued in the current year.

Louisiana Legislative Auditor's Finding Template for Reporting Fraud and Misappropriations

AGENCY NAME: KILLONA VOLUNTEER FIRE DEPARTMENT, INC.

FISCAL YEAR END: 12/31/24

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	Board member resigned and did not return a Department smartwatch and cell phone which was issued to him.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Apple iPhone and Apple smartwatch
3	The amount of funds or approximate value of assets involved.	\$1,100
4	The department or office in which the fraud or misappropriation occurred.	Killona Volunteer Fire Dept. Inc
5	The period of time over which the fraud or misappropriation occurred.	January 2024
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	President of the Board, resigned effective January 15, 2024
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Formal charges have not been brought against this person
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes, District Attorney notified on November 12, 2025
11	What is the status of the investigation at the date of the auditor's/accountant's report?	Unknown / pending
12	If the investigation is complete and the person believed to have committed the act of fraud or	N/A

Louisiana Legislative Auditor's Finding Template for Reporting Fraud and Misappropriations

AGENCY NAME: KILLONA VOLUNTEER FIRE DEPARTMENT, INC.

FISCAL YEAR END: 12/31/24

	misappropriation has been identified, has the agency filed charges against that person?	
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	None
14	Has restitution been made or has an insurance claim been filed?	No
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Yes
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	Yes
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	N/A
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	The Board adopted a policy whereby a written agreement listing all Department equipment issued to a volunteer /employee will be signed by the volunteer/employee stating that they agree to return all assigned equipment upon termination of services to the Department and that failure to return Department equipment will be reported to law enforcement.

**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**

**To the Killona Volunteer Fire Department, Inc.
Killona, 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 Killona Volunteer Fire Department, Inc. (the Department), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated November 12, 2025.

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 audit findings, items 2024-01, 2024-02, and 2024-03 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, see items 2024-04 and 2024-05 of the accompanying corrective action plan for current year audit findings.

Killona 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
November 12, 2025



KILLONA VOLUNTEER FIRE DEPARTMENT, INC.
KILLONA, LOUISIANA

**Independent Accountant's Report
On Applying Agreed-Upon Procedures
Year Ended December 31, 2024**

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024**

To the Board of Directors of the
Killona Volunteer Fire Department, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2024 through December 31, 2024. The Killona Volunteer Fire Department's (the Department's) management is responsible for those C/C areas identified in the SAUPs.

The Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 01, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Exception noted. The Department does not have a written policy for this area.

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

Exception noted. The Department has adopted the St. Charles Firemen's Association Spending Guidelines for Purchasing; however, it does not address items 1, 2, 3, or 4. It does address item #5.

- iii. ***Disbursements***, including processing, reviewing, and approving.

Exception noted. The Department does not have a written policy for this area.

- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Exception noted. The Department does not have a written policy for this area.

- v. ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Exception noted. The Department does not have a written policy for this area.

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

Exception noted. The Department does not have a written policy for this area.

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

Exception noted. The Department does not have a written policy for this area.

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

Exception noted. The Department does not have a written policy for this area.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that

documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Not applicable to a nonprofit organization.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exception noted. The Department does not have a written policy for this area.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exception noted. The Department does not have a written policy for this area.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable to a nonprofit organization.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Exception noted, while board meetings are required monthly, there were seven months which did not have a meeting due to lack of a quorum.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial*

activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Exception noted. No discussion of budget to actual comparisons.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Exception noted. There is no evidence of the progress of resolving the audit findings.

3) Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained listing and management's representation that the listing is complete.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date prepared (e.g., initialed and dated, electronically logged); and

Exception noted. There is no review of the bank reconciliation.

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a list of deposit sites from management and management provided representation that the listing is complete.

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

- i. Employees responsible for cash collections do not share cash drawers/registers.

Not applicable. The Department does not require the use of cash drawers nor registers.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions were found as a result of this procedure.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions were found as a result of this procedure.

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

- i. Observe that receipts are sequentially pre-numbered.

Not applicable as all collections are noncash and are checks received through the mail.

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

No exceptions were found as a result of this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Exception noted. The Department does not indicate the date that the check was received; therefore, it was not possible to test this procedure. However, all deposits were made within a week of the check date.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, & petty cash purchases)

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

Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the list is complete.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Exception noted. The Chief can make purchases without another person's approval.

- ii. At least two employees are involved in processing and approving payments to vendors.

No exceptions were found as a result of this procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Exception noted. The person responsible for processing payments can add or modify the vendor files. There is no review of the vendor files by another employee.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Exception noted. Once signed, the checks are returned to the person who processed the payments.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Exception noted. There is no prior authorization for electronic disbursements.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.

Exception noted. There was no written evidence noted.

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

Exception noted. There was no evidence that the electronic disbursements had been authorized for payment prior to disbursement.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

Obtained a list of all active credit cards, bank debit cards, fuel cards and purchase cards (cards) for the fiscal period, and management provided representation that the list is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Exception noted. There was no evidence review or approval.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Exception noted. All transactions had proper support and it was obvious from the support that it was for a public purpose. However, there was one transaction for a meal charge which had no indication of the individual(s) who participated in that meal.

7) *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

Obtained a list of the travel and travel-related general ledger transactions for the fiscal period and management provided representation that the list is complete.

- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Not applicable.

- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions were found as a result of this procedure.

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Exception noted. The support did not indicate the names of the individual(s) participating in the meal.

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

Not applicable.

8) Contracts

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

Obtained listing and management's representation that the listing is complete.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions were found as a result of this procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

No exceptions were found as a result of this procedure.

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

Not applicable.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

Obtained a list of employees for the fiscal period and management provided representation that the list is complete.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions were found as a result of this procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions were found as a result of this procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Not applicable.

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

Exception noted. There was no written evidence of the employees authorized salary/pay rate.

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

Not applicable.

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

Obtained management's representation that employer and employee portions of third party payroll related amounts have been paid, and associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not applicable to a nonprofit organization.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State

Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable to a nonprofit organization.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management has asserted that the Department did not have any misappropriations of public funds or assets during the reporting period.

- B. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup

restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Not applicable. The Department had no terminated employees.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

The requirements are as follows:

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

Not applicable. The Department had no terminated employees.

14) Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Not applicable to a nonprofit organization.

Managements Response: *This is the Department's first year being tested on the AUPs. The Department's leadership agrees with the noted exceptions will work towards making improvements in all noted areas.*

We were engaged by the Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Thibodaux, Louisiana
June 17, 2025