

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**  
Prairieville, Louisiana

**FINANCIAL REPORT**

December 31, 2021 and 2020

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**  
Prairieville, Louisiana

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December 31, 2021 and 2020

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Prairieville Volunteer Fire Department, Inc.  
Prairieville, Louisiana

**Opinion**

We have audited the accompanying financial statements of **PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.** (a nonprofit organization) (Department), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department as of December 31, 2021 and 2020, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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, 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.

(continued)

## Supplementary Information

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

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
June 15, 2022

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**

Prairieville, Louisiana

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 325,105	\$ 318,526
Investments - certificates of deposit	70,438	70,438
Due from Ascension Parish Government	<u>27,276</u>	<u>52,607</u>
Total current assets	422,819	441,571
<b>PROPERTY AND EQUIPMENT, net</b>	<u>349,854</u>	<u>366,675</u>
Total assets	<u>\$ 772,673</u>	<u>\$ 808,246</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 24,162	\$ 19,013
<b>NET ASSETS</b>		
Without donor restrictions	<u>748,511</u>	<u>789,233</u>
Total liabilities and net assets	<u>\$ 772,673</u>	<u>\$ 808,246</u>

The accompanying notes to the financial statements  
are an integral part of these statements.

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**

Prairieville, Louisiana

**STATEMENTS OF ACTIVITIES AND FUNCTIONAL EXPENSES**

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>REVENUES AND SUPPORT</b>		
Support from Ascension Parish Government	\$ 341,260	\$ 437,525
State fire insurance rebate	142,857	141,151
Donations and other	325	1,516
Interest income	193	347
Total revenues and support	<u>484,635</u>	<u>580,539</u>
<b>EXPENSES</b>		
<b>Program services:</b>		
Personnel costs	349,061	435,984
Depreciation	62,365	67,949
Training	37,901	16,713
Firemen supplies	16,762	16,631
<b>General and administrative</b>		
Depreciation	21,912	11,991
Professional	14,000	16,566
Maintenance	12,804	10,788
Other	10,402	7,632
Office supplies and subscriptions	150	7,723
Total expenses	<u>525,357</u>	<u>591,977</u>
Change in net assets	(40,722)	(11,438)
<b>NET ASSETS</b>		
Beginning of year	<u>789,233</u>	<u>800,671</u>
End of year	<u>\$ 748,511</u>	<u>\$ 789,233</u>

The accompanying notes to the financial statements  
are an integral part of these statements.

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**

Prairieville, Louisiana

**STATEMENTS OF CASH FLOWS**

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (40,722)	\$ (11,438)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	84,277	79,940
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	25,331	(32,000)
(Decrease) increase in accounts payable and payroll liabilities	<u>5,149</u>	<u>(1,594)</u>
Net cash provided by operating activities	74,035	34,908
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(67,456)</u>	<u>(85,037)</u>
Net increase (decrease) in cash	6,579	(50,129)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>318,526</u>	<u>368,655</u>
End of year	<u>\$ 325,105</u>	<u>\$ 318,526</u>

The accompanying notes to the financial statements  
are an integral part of these statements.



**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**  
Prairieville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Operations**

Prairieville Volunteer Fire Department, Inc. (Department) is a non-profit corporation providing fire protection, emergency medical service, and hazardous materials handling to the citizens of Fire Protection District No. 3 in Ascension Parish.

**Financial statement presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and related disclosures of the financial statements. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation.

**Income taxes**

The Department is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Department follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*. The Department's open audit periods are 2018 through 2021.

**Revenue recognition**

The Department is primarily funded by support from Ascension Parish Government, through a cooperative endeavor agreement. Supplementary funding is provided by state fire insurance rebates, grants, and donations solicited from the general public, local businesses, and civic organizations, which are recognized as received.

**Cash and cash equivalents**

For purposes of the statement of cash flows, the Department considers cash in bank accounts as cash. Cash equivalents include investments with original maturities of three months or less. The Department has no cash equivalents at December 31, 2021 and 2020.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments, investment valuation and income recognition**

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Department has the ability to access. The Department does not have any level 1 inputs at December 31, 2021 and 2020.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement. The Department does not have any Level 3 inputs at December 31, 2021 and 2020.

Certificates of deposit are recorded at cost, which approximates fair market value using level 2 inputs.

**Due from Ascension Parish Government (APG)**

Amounts due from APG are stated at the amount management expects to collect and consists of amounts for reimbursement of payroll and related benefit expenses through a cooperative endeavor agreement.

**Fair value of financial instruments**

The carrying value of cash, due from APG and liabilities approximates fair value due to the short-term maturity of these instruments. Financial instruments are not held for trading purposes.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property, equipment and depreciation**

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

**Cost allocation**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and general and administrative expenses based on time allocation.

**Subsequent events**

In preparing the financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through June 15, 2022, which is the date the financial statements were available to be issued.

**NOTE 2 - PROPERTY AND EQUIPMENT**

A summary of property and equipment, related service lives, and accumulated depreciation at December 31, 2021 and 2020, is as follows:

Description	2021	2020
Fire equipment	\$ 469,206	\$ 442,244
Furniture and fixtures	53,670	48,048
Leasehold improvements	245,154	210,282
Other equipment	43,834	43,834
 Total	 811,864	 744,408
Less accumulated depreciation	(462,010)	(377,733)
 Property and equipment, net	 \$ 349,854	 \$ 366,675

Depreciation expense was \$84,277 and \$79,940 for 2021 and 2020, respectively.

**NOTE 3 - CONCENTRATION OF CREDIT RISK**

The Department typically maintains cash and cash equivalents in local banks that may, at times, exceed the FDIC limits. Management believes that this risk is limited. The excess of cash over the FDIC limit of \$250,000 for the Department is \$88,723 and \$68,526 for 2021 and 2020, respectively.

**NOTE 4 - RELATED PARTY TRANSACTIONS/ ECONOMIC DEPENDENCY**

Since the Department provides a service that would otherwise be provided by APG, APG provided financial support for payroll and related benefit expenses to the Department of \$341,260 and \$437,525 for 2021 and 2020, respectively.

Revenue derived from APG accounted for approximately 70% and 76% of total revenue in years 2021 and 2020; the loss of this significant support would have a material adverse effect on the Department.

The Department utilizes five firehouse facilities and fire apparatuses provided by APG. Governmental Accounting Standards Board (GASB) No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires only payments for payroll and related benefit expenses to be recorded when one entity provides non-cash support to another entity. The valuation relating to the utilization of these facilities are not reflected in the Statement of Activities as in-kind revenue and expenses.

**NOTE 5 - DEFERRED COMPENSATION PLAN**

The Department offers its employees a defined contribution plan (the Plan) created in accordance with Internal Revenue Code Section 457. The plan is administered by Nationwide Retirement Solutions, Inc. (Nationwide), who is the trustee of the Plan. The Plan, mandates participation for all employees, requires them to defer a portion of their salary to future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with the amended provisions of the Internal Revenue Code, all amounts deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and their beneficiaries.

Under this program, employees must defer 4% of their wages and the Department contributes a matching contribution of 4%. For the years ended December 31, 2021 and 2020, employer contributions totaled \$17,719 and \$16,510, respectively.

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**NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Department's financial assets available within one year of the balance sheet date for general expenditure are as follows.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 325,105	\$ 318,526
Investments - certificates of deposit	70,438	70,438
Due from Ascension Parish Government	<u>27,276</u>	<u>52,607</u>
Total	<u>\$ 422,819</u>	<u>\$ 441,571</u>

The Department does not have any amount with contractual or donor-imposed restrictions within one year of the balance sheet date at December 31, 2021 and 2020.

As part of the Department's liquidity management, the Department maintains sufficient cash funds throughout the year along with the Ascension Parish Government providing financial support for payroll and related benefit expenses. In addition, the Department receives an annual 2% fire insurance rebate from APG that the Department uses to fund operations.

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**  
Prairieville, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31, 2021

**Agency Head:** Mark Stewart, Executive Director

<u>Purpose</u>	<u>Amount</u>
Reimbursements	\$ <u>69</u>

**INDEPENDENT AUDITORS' REPORT REQUIRED BY  
*GOVERNMENTAL AUDITING STADARDS***



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

Board of Directors  
Prairieville Volunteer Fire Department, Inc.  
Prairieville, Louisiana

We have audited, 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, the financial statements of **PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC. (DEPARTMENT)**, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 15, 2022.

**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) to determine 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 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 schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Governmental Auditing Standards*.

## **The Department's Response to Findings**

The Department's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Department's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department'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.

This report is intended solely for the information and use of the Board of Directors and management, the Louisiana Legislative Auditor, and federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Faulk & Winkler, LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
June 15, 2022

# PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.

## SCHEDULE OF FINDINGS AND RECOMMENDATIONS

For the year ended December 31, 2021

### 1) Summary of Auditor's Results:

A) The type of report issued on the financial statements: **Unmodified opinion.**

B) A significant deficiency in internal controls was disclosed by the audit of financial statements: **2021-001.**

C) Material weakness: **None.**

D) Noncompliance which is material to the financial statements: **None.**

2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **2021-001.**

3) Findings relating to compliance reported in accordance with *Government Auditing Standards*: **None.**

# **PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**

## **SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

For the year ended December 31, 2021

### **4) FINDINGS – FINANCIAL STATEMENT AUDIT:**

#### **2021-001 Internal Control Over Human Resource Functions**

##### **Fiscal Year Finding Originated: 2021**

**Criteria:** Internal control over human resource functions is necessary to ensure the Department's employees are being paid appropriately and are in compliance with applicable laws.

**Condition:** The Immigration Reform and Control Act of 1986 requires all U.S. employers, regardless of size, to complete a Form I-9 upon hiring a new employee to work in the United States. While performing standard audit procedures over payroll and personnel functions, testing procedures identified that all of the five tested employees did not have a completed I-9 on file.

**Cause:** The Department does not have adequate controls in place to ensure that all employees have required and completed payroll forms as stated under The Immigration Reform and Control Act of 1986.

**Effect:** The Department may not be in compliance with federal law under The Immigration Reform and Control Act of 1986, which requires all U.S. employers to obtain a completed Form I-9 upon hiring a new employee to work in the United States to verify their identity and employment authorization.

**Recommendation:** The Department should implement procedures to strengthen control over human resource functions to ensure all employees of the Department have completed I-9 forms as stated by The Immigration Reform and Control Act of 1986.

**Views of responsible officials:** Management concurs with the recommendation above and will implement procedures to ensure that all current and future employees have completed all required payroll forms to be in compliance with the Immigration Reform and Control Act of 1986.

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

For the year ended December 31, 2021

**There were none.**

**Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures**

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT**

Prairieville, Louisiana

For the year ended December 31, 2021



## INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
the Prairieville Volunteer Fire Department  
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 1, 2021 through December 31, 2021. 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 LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethic**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

***Board or Finance Committee***

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- 2. 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:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the 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.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

### ***Bank Reconciliations***

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3. Obtain a listing of entity 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 each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

### ***Collections (excluding electronic funds transfers)***

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4. 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).
5. 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:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:



- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

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- 8. 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).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- 10. For each location selected under #8 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:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
12. 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:
  - a) 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.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 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.

*This category is not applicable to the Department as the Department does not utilize credit cards.*

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

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14. 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:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

*No travel or travel-related expense reimbursements occurred in 2021.*

### ***Contracts***

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15. 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:
  - a) 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.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) 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).
  - d) 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.

*There were no agreements or contracts that were initiated or renewed in 2021.*

### ***Payroll and Personnel***

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16. 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.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

18. 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.
19. 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.

*All employees are part-time and do not have approved leave.*

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
  - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

### ***Debt Service***

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21. 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 State Bond Commission approval was obtained for each debt instrument issued.
22. 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).

*This category is not applicable for not for profit entities.*

### ***Fraud Notice***

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23. 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.

24. 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.

### ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures:

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly 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.

*The Department utilizes Quickbooks Online for their accounting functions. As this is a cloud-based function, there are no physical backups that are subject to risk of loss. Quickbooks Online updates to the cloud daily.*

### ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.
27. 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).

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:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

**PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.**  
Prairieville, Louisiana

**SCHEDULE OF EXCEPTIONS**

For the year ended December 31, 2021

***Exceptions:***

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No exceptions were found as a result of applying the procedures listed above, except as follows:

***Written Policies and Procedures:***

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**1a Budgeting** – The Department has no written policy on preparing, adopting, monitoring, and amending the budget.

**1b (1)(2)(3)(4)(5) Purchasing** – The Department has no written policy on how purchases are initiated, how vendors are added to the vendor list, the preparation of purchase requisitions and purchase orders, controls to ensure compliance with Public Bid Law, and documentation required to be maintained for all bids and price quotes.

**1c Disbursements** – The Department has no written policy on processing, reviewing, and approving disbursements.

**1d Receipts/Collections** – The Department has no written policy on processing, recording, and preparing disbursements.

**1e (1)(2)(3) Payroll/Personnel** – The Department has no written policy on payroll processing, reviewing and approving time and attendance records, and approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

**1f (1)(2)(3)(4)(5) Contracting** – The Department has no written policy on contracting.

**1h Travel and expense reimbursement (1)(2)(3)(4)** – The Department has no written policy on travel and expense reimbursements.

**1i Ethics (1)(2)(3)(4)** – The Department has no written policy on ethics.

**1k IT Disaster Recover/Business Continuity (1)(2)(3)(4)(5)(6)** – The Department has no written policy on disaster recovery/business continuity.

**1l Sexual Harassment (1)(2)(3)** – The Department has a written policy on sexual harassment, although the policy does not address matters noted in Steps 11(1-3).

***Board:***

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- 2 (a) The Department's Board did not meet monthly as required by the Department's bylaws.
- 2 (b) The Department's Board minutes do not reference monthly budget-to-actual comparisons.

***Bank Reconciliations:***

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- 3 (a) 2 out of 3 of the Department's bank reconciliations did not include evidence that they were prepared within two months of the related statement
- 3 (b) The Department's bank reconciliations did not include evidence that a member of management with no involvement reviewed each bank reconciliation.
- 3 (c) Management did not include documentation displaying research of items that have been outstanding for more than 12 months from the statement closing date.

***Collections:***

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- 5 (a) The Department maintains one cash drawer shared by multiple employees.
- 5 (b) The Department has no written policy related to employees responsible for preparing/making bank deposits.
- 5 (c) The Department has no written policy related to employees responsible for posting collection entries to the general ledger.
- 5 (d) The Department has no written policy related to employees responsible of reconciling cash collections to the general ledger.
- 7 (b) Sequentially pre-numbered receipts, system reports, and other related collection documentation was not able to be traced to the deposit slip.
- 7 (d) 2 of the 6 deposits were not made within one week of the receipt at the collection location.

***Non-Payroll Disbursements:***

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- 9 The Department has no written policy related to job duties of employees involved with non-payroll purchasing and payment functions.
- 9 (a) The Department does not utilize a purchase order system.
- 10 (a) 1 of the 10 disbursements did not match the related original invoice.

***Payroll:***

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16 The Department's employee personnel files did not contain authorized pay rates in personnel files.

***Sexual Harassment:***

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27 The Department does not have its sexual harassment policies and complaints procedure on its website.

28 The Department does not have an annual sexual harassment report containing:

- the number and percentage of public servant in the agency who have completed the training requirements.
- the number of sexual harassment complaints received by the Department.
- the number of complaints which resulted in a finding that sexual harassment occurred.
- the number of complaints in which the finding of sexual harassment resulted in discipline or corrective actions.
- the amount of time it took to resolve each complaint.

***Management's Response***

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The Board of Directors of the Prairieville Volunteer Fire Department concurs with the exceptions and are working to address the exceptions identified.



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 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.

*Faulk & Winkler, LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
June 15, 2022