

ANNUAL FINANCIAL REPORT
EAST SIDE ST. CHARLES PARISH
VOLUNTEER FIRE DEPARTMENT, INC.
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2021



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
East Side St. Charles Parish Volunteer Fire Department, Inc.
Destrehan, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of East Side St. Charles Parish Volunteer Fire Department, Inc., as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the East Side St. Charles Parish Volunteer Fire Department, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of East Side St. Charles Parish Volunteer Fire Department, Inc., as of December 31, 2021, and the respective changes in financial position 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, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Side St. Charles Parish Volunteer Fire Department, Inc. 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.



To the Board of Directors of the
East Side St. Charles Parish Volunteer Fire Department, Inc.
September 22, 2022

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 East Side St. Charles Parish Volunteer Fire Department, Inc.'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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of East Side St. Charles Parish Volunteer Fire Department, Inc.'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 East Side St. Charles Parish Volunteer Fire Department, Inc.'s ability to continue as a going concern for a reasonable period of time.



To the Board of Directors of the
East Side St. Charles Parish Volunteer Fire Department, Inc.
September 22, 2022

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 management's discussion and analysis on pages 5 through 7 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 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. 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 responses 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise East Side St. Charles Parish Volunteer Fire Department, Inc.'s basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic 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 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 schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of the
East Side St. Charles Parish Volunteer Fire Department, Inc.
September 22, 2022

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022, on our consideration of East Side St. Charles Parish Volunteer Fire Department, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of East Side St. Charles Parish Volunteer Fire Department, Inc.'s 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 East Side St. Charles Parish Volunteer Fire Department, Inc.'s internal control over financial reporting and compliance.

September 22, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
DESTREHAN, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

This section of the East Side St. Charles Parish Volunteer Fire Department Inc.’s (the Fire Department) annual financial report presents management’s analysis of the Fire Department’s financial performance for the year ended December 31, 2021. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

1. The Fire Department’s net position increased by \$260,535.
2. The general revenues of the Fire Department were \$1,176,864.
3. The total expenses of the Fire Department were \$916,329.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of two sections: Management’s Discussion and Analysis and audited financial statements. The financial statements also include notes that provide additional detail of the information included in the financial statements.

BASIC FINANCIAL STATEMENTS

The financial statements of the Fire Department report information about the Fire Department using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the Fire Department.

The Statement of Net Position presents information that includes all of the Fire Department’s assets and liabilities with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Fire Department as a whole is improving or deteriorating.

The Statement of Activities presents information on how the Fire Department’s net position changed as a result of current period operations.

The following presents condensed financial information of the Fire Department.

SUMMARY OF NET POSITION
AS OF DECEMBER 31, 2021 AND 2020

	<u>ASSETS</u>	
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Current assets	\$ 1,957,509	\$ 1,580,899
Capital assets, net of accumulated depreciation	<u>2,903,822</u>	<u>3,016,794</u>
Total assets	<u>\$ 4,861,331</u>	<u>\$ 4,597,693</u>

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
DESTREHAN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

<u>LIABILITIES</u>		
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Current liabilities	\$ 8,212	\$ 5,109
Total net position	<u>\$ 8,212</u>	<u>\$ 5,109</u>
<u>NET POSITION</u>		
Net investment in capital assets	\$ 2,903,822	\$ 3,016,794
Restricted for fire protection	<u>1,949,297</u>	<u>1,575,790</u>
Total net position	<u>\$ 4,853,119</u>	<u>\$ 4,592,584</u>

Total assets increased by \$263,638 or 5.7% as a result of operations.

Total liabilities increased by \$3,103 or 61% due to an increase in payables outstanding at year end.

Total net position increased by \$260,535 or 5.7% as a result of operations.

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
General revenues	\$ 1,176,864	\$ 829,998
Fire protection	<u>(916,329)</u>	<u>(787,949)</u>
Change in net position	<u>\$ 260,535</u>	<u>\$ 42,049</u>
Ending net position	<u>\$ 4,853,119</u>	<u>\$ 4,592,584</u>

The change in net position increased from prior year by \$218,486. This is primarily due to an increase in current year general revenues as a result of insurance recoveries from Hurricane Ida damage.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
DESTREHAN, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

CAPITAL ASSETS

Following is a schedule of capital assets, net of accumulated depreciation:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Land	\$ 207,068	\$ 207,068
Vehicles	2,474,273	3,477,763
Equipment	815,000	979,847
Buildings and improvements	<u>2,670,156</u>	<u>2,677,829</u>
	6,166,497	7,342,507
Less accumulated depreciation	<u>(3,262,675)</u>	<u>(4,325,713)</u>
Total capital assets, net of accumulated depreciation	<u>\$ 2,903,822</u>	<u>\$ 3,016,794</u>

Major additions to fixed assets consisted of various types of firefighting equipment and building improvements and major disposals consisted of fully depreciated equipment and a fire truck. The decrease in net book value of fixed assets in 2021 is \$112,972 primarily due to capital asset depreciation exceeding additions during the year.

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

The Fire Department expects to continue to be funded through sales tax and ad valorem revenues remitted to it by St. Charles Parish. In the fourth quarter of 2018, the ad valorem tax was renewed by the citizens of St. Charles Parish, extending the appropriation through 2030. The Fire Department’s fleet is aging and the Fire Department expects its costs in maintenance and fire supplies to continue to rise. During 2022, the Fire Department will be making repairs to its property and equipment from damages caused by Hurricane Ida.

The Fire Department currently has a Class 4 fire rating and expects to be rated again within the next two years. The Fire Department’s goal is to obtain a Class 3 fire rating in order to reduce property insurance costs to the citizens of St. Charles Parish. The Fire Department is committed to providing the highest level of emergency response.

CONTACTING THE FIRE DEPARTMENT’S MANAGEMENT

This report is designed to provide a general overview of the Fire Department and to demonstrate the Fire Department’s accountability for its finances. If you have any questions about this report or need additional information, please contact Mr. Donald Peyton, East Side St. Charles Parish Volunteer Fire Department, Inc., P.O. Box 668, Destrehan, Louisiana 70047.

BASIC FINANCIAL STATEMENTS

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021

ASSETS:

Cash	\$ 1,878,784
Due from St. Charles Parish	44,091
Prepaid expenses	34,634
Capital assets, net of accumulated depreciation	<u>2,903,822</u>
 Total assets	 <u>4,861,331</u>

LIABILITIES:

Accrued payroll	<u>8,212</u>
 Total liabilities	 <u>8,212</u>

NET POSITION:

Net investment in capital assets	2,903,822
Restricted for fire protection	<u>1,949,297</u>
 Total net position	 <u><u>\$ 4,853,119</u></u>

The accompanying notes are an integral part of this statement

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS

GOVERNMENTAL ACTIVITIES:

Public safety - fire protection	<u>\$ 916,329</u>
Net (expense) from governmental activities	<u>(916,329)</u>

GENERAL REVENUES:

Sales tax - 1/8 percent	549,670
Ad valorem tax	289,506
Fire insurance rebate	50,596
Insurance recoveries	206,782
Gain from sale of vehicle	79,013
Other revenues	<u>1,297</u>
Total general revenues	<u>1,176,864</u>
Change in net position	260,535
Net position - beginning	<u>4,592,584</u>
Net position - ending	<u><u>\$ 4,853,119</u></u>

The accompanying notes are an integral part of this statement

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2021

ASSETS

Cash	\$ 1,878,784
Due from St. Charles Parish	44,091
Prepaid expenses	<u>34,634</u>
 Total assets	 <u><u>\$ 1,957,509</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accrued payroll	<u>\$ 8,212</u>
 Total liabilities	 <u>8,212</u>

FUND BALANCE:

Nonspendable: prepaid expenses	34,634
Restricted for fire protection	<u>1,914,663</u>
 Total fund balance	 <u>1,949,297</u>
 Total liabilities and fund balance	 <u><u>\$ 1,957,509</u></u>

The accompanying notes are an integral part of this statement

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021

Fund balance - total governmental fund	\$ 1,949,297
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>2,903,822</u>
Net position of governmental activities	<u>\$ 4,853,119</u>

The accompanying notes are an integral part of this statement

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES:

Sales tax - 1/8 percent	\$ 549,670
Ad valorem tax	289,506
Fire insurance rebate	50,596
Other revenues	<u>1,297</u>
Total revenues	<u>891,069</u>

EXPENDITURES:

Current for fire protection:

Utilities:

Electricity, water, and gas	26,373
Telephone	7,568

Equipment:

Maintenance	86,029
Fuel	11,822

Buildings:

Insurance	63,090
Maintenance	35,458

Personnel:

Insurance	26,467
Other personnel expense	17,245
Training	2,626
Salaries, benefits, and related expenses	204,136

Fire fighting expenditures:

Fire fighting supplies	110,313
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Miscellaneous:

Professional services	31,838
Office expenses	10,489
Interest expense	89
Meetings and other	306
Dues and subscriptions	<u>6,274</u>

Total current expenditures	640,123
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Capital outlays	<u>164,221</u>
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Total expenditures	<u>804,344</u>
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Excess of revenues over expenditures	86,725
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OTHER FINANCING SOURCES:

Insurance recovery	206,782
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Proceeds from sale of vehicle	<u>80,000</u>
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Total other financing sources	<u>286,782</u>
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Net change in fund balance	373,507
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Fund balance - beginning	<u>1,575,790</u>
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Fund balance - ending	<u><u>\$ 1,949,297</u></u>
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The accompanying notes are an integral part of this statement

**EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
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, 2021**

Net change in fund balance - governmental fund	\$ 373,507
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 their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense of \$276,206 and capital outlay of \$164,221 for the current period.	(111,985)
In the Statement of Activities, the loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from a potential sale increases financial resources. The change in net position differs from the change in fund balance by the cost of the assets discarded \$1,340,231, net of related accumulated depreciation of \$1,339,244.	<u>(987)</u>
Change in net position of governmental activities	<u><u>\$ 260,535</u></u>

The accompanying notes are an integral part of this statement

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The East Side St. Charles Parish Volunteer Fire Department, Inc. (Fire Department) receives funding from local and state government sources and must comply with the concomitant requirements of these funding source entities. However, the Fire 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 Fire 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 Fire Department has no component units.

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

Basis of Presentation and Financial Reporting Framework

The Fire Department's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. 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*.

Basic Financial Statements - Government-Wide Financial Statements

The Fire Department's basic financial statements include both government-wide (reporting the Fire Department as a whole) and fund financial statements (reporting the Fire Department's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Fire Department's fire protection activities and related general administrative services are classified as governmental activities. The Fire Department does not have any business-type activities.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Government-Wide Financial Statements (continued)

In the government-wide Statement of Net Position (Exhibit A), the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and liabilities. The Fire Department's net position is reported in two parts – net investment in capital assets and restricted for fire protection.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of the Fire Department's function. The function is supported by general government revenues (primarily 1/8 percent sales tax and ad valorem tax). The Fire Department does not receive related program revenues and operating grants which would reduce gross expenses in the Statement of Activities.

This government-wide focus is on the sustainability of the Fire Department as an entity and the change in the Fire Department's net position resulting from current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Fire Department are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures. The Fire Department's current operations require the use of only the following fund type:

Governmental Fund:

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In general, fund balance represents the accumulated expendable resources, which may be used to finance future operations of the Fire Department.

General Fund

The General Fund is the principal fund of the Fire Department and is used to account for the operations of the Fire Department. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

The Fire Department records are maintained on the cash basis of accounting. However, the General Fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

Revenues

Sales taxes are recorded in the month the taxes are collected by the St. Charles Parish School Board. Sales taxes become payable to the St. Charles Parish School Board on the first day of the month and become delinquent on the 20th day of the month following incurrence of the taxes by businesses.

An ad valorem issue is dedicated to the operations of the nine volunteer fire departments in St. Charles Parish. The tax millage expires in 2030. Each department is to receive one ninth of annual collections. Taxes levied in November each year are available for expenditures in the subsequent year.

Interest income on investments is recorded when the investments have matured and income is available.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (continued)

Revenues (continued)

All other revenues are recorded when received.

The majority of the Fire Department's revenues are derived from the one-eighth of one percent sales tax and the ad valorem tax for operations.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Cash

The Fire Department is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. The Fire Department may also invest in time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Fire Department does not have a policy for custodial credit risk; however, under state law, these deposits must be secured by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Fire Department or its agent in the Fire Department's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Fire Department's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Fire Department's name, and deposits which are uninsured or uncollateralized.

At December 31, 2021, the carrying amount and the bank balances of deposits of the primary government are summarized as follows:

	<u>Bank Balances of Deposits Category</u>			<u>Bank Balance</u>
	1	2	3	
Cash	<u>\$ 262,008</u>	<u>\$ 1,616,601</u>	<u>\$ -</u>	<u>\$ 1,878,609</u>

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The Fire Department prepares a budget for its General Fund which is approved by its board of directors. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fire Department maintains a threshold level of \$1,000 or more for recording capital assets. 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.

Capital assets are recorded in the Statement of Net Position and depreciation is recorded in the Statement of Activities. Since surplus assets are sold for an immaterial amount or scrapped when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5 - 15 years
Fire protection vehicles	5 - 15 years
Buildings and improvements	10 - 40 years

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the fund upon acquisition.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
- c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance or resolution.
- d. Assigned – amounts that are designated by the formal action of the government's highest level of decision making authority.
- e. Unassigned – amounts not included in other classifications.

The Board of Directors, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Board of Directors authorizes management to assign amounts for a specific purpose.

When both restricted and unrestricted fund balances are available for use, it is the Fire Department's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use, it is the Fire Department's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 revealed no tax positions that would have a material impact on the financial statements. The 2018 through 2021 tax years remain subject to examination by the IRS. The Fire Department does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Use of Estimates

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

Date of Management's Review

Management has evaluated subsequent events through September 22, 2022, the date which the financial statements were available to be issued.

(2) SALES TAX REVENUE

Effective March 1, 1980, sales tax in the amount of one-eighth of one percent is collected by the St. Charles Parish School Board and administered by the Parish President. The sales tax is to be used for 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 Firemen's Association, Inc.

As of December 31, 2021, the sales tax is distributed on the following basis:

	<u>Monthly Basis</u>	<u>Remaining Funds 1/1/21-12/31/21</u>
Bayou Gauche Volunteer Fire Dept., Inc.	\$ 2,500	3.78 %
Des Allemands Volunteer Fire Dept., Inc.	\$ 2,500	4.10 %
East Side St. Charles Volunteer Fire Dept., Inc.	\$ 2,500	22.72 %
Hahnville Volunteer Fire Dept., Inc.	\$ 2,500	7.00 %
Killona Volunteer Fire Dept., Inc.	\$ 2,500	1.47 %
Luling Volunteer Fire Dept., Inc.	\$ 2,500	30.85 %
Norco Area Volunteer Fire Dept., Inc.	\$ 2,500	9.81 %
Paradis Volunteer Fire Dept., Inc.	\$ 2,500	4.93 %
St. Rose Volunteer Fire Dept., Inc.	\$ 2,500	15.34 %

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(3) DUE FROM PARISH

Revenue receivable at December 31, 2021 consists of the Fire Department's share of the 1/8th percent sales tax for the month of November 2021, collected on or before December 20, 2021 by the St. Charles Parish School Board and remitted by St. Charles Parish in January 2022. An allowance for uncollectible receivables is not recorded by the Fire Department because it considers all receivables collectible at December 31, 2021.

(4) CAPITAL ASSETS

	Balance <u>01/01/21</u>	Additions <u>2021</u>	Retirements <u>2021</u>	Balance <u>12/31/21</u>
Capital assets not being depreciated:				
Land	\$ 207,068	\$ -	\$ -	\$ 207,068
Total capital assets not being depreciated	<u>207,068</u>	<u>-</u>	<u>-</u>	<u>207,068</u>
Capital assets being depreciated:				
Fire protection vehicles	3,477,763	-	(1,003,490)	2,474,273
Equipment	979,847	156,423	(321,270)	815,000
Buildings and improvements	<u>2,677,829</u>	<u>7,798</u>	<u>(15,471)</u>	<u>2,670,156</u>
Total capital assets being depreciated	<u>7,135,439</u>	<u>164,221</u>	<u>(1,340,231)</u>	<u>5,959,429</u>
Less: accumulated depreciation	<u>(4,325,713)</u>	<u>(276,206)</u>	<u>1,339,356</u>	<u>(3,262,675)</u>
Total capital assets being depreciated, net	<u>2,809,726</u>	<u>(111,985)</u>	<u>(987)</u>	<u>2,696,754</u>
Total capital assets, net	<u>\$ 3,016,794</u>	<u>\$ (111,985)</u>	<u>\$ (987)</u>	<u>\$ 2,903,822</u>

Depreciation expense for the year ended December 31, 2021 was \$276,206.

(5) IMPAIRMENT OF CAPITAL ASSETS

During the fiscal year ended December 31, 2021, the Fire Department recognized impairment losses for damage caused by Hurricane Ida. In accordance with GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, insurance recoveries during the fiscal year ended December 31, 2021 were used to offset the amount of loss that was recognized. During the fiscal year ended December 31, 2021, insurance recovery payments in the net amount of \$206,782 was received and recorded as revenues.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(6) RISK MANAGEMENT

The Fire Department is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to firemen; and natural disasters. The Fire Department carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.

(7) LEASE COMMITMENTS

The Fire Department has entered into two operating leases for property with St. Charles Parish at no cost to the department as follows:

<u>Location</u>	<u>Term</u>
1. Parcel T-1A of Ormond Country Club	Twenty years commencing November 5, 2002
2. Fire Station, 13902 River Road, Destrehan including all improvements	Renewed for ten years commencing September 1, 2015

(8) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 87, “Leases.” The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The GASB issued Statement No. 95 “*Postponement of the Effective Dates of Certain Authoritative Guidance*” which has deferred the effective date of Statement No. 87 and Implementation Guide No. 2019-3 by 18 months to fiscal years beginning after June 15, 2021. The Fire Department plans to adopt these Statements as applicable by the effective date.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Fire Chief Donald Peyton</u>
No compensation, benefits, or other payments in 2021	\$ _____ -
Total compensation, benefits, and other payments	\$ <u>_____ -</u>

**OTHER REPORTING REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

OTHER SUPPLEMENTARY INFORMATION



**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***

To the Board of Directors of the
East Side St. Charles Parish Volunteer Fire Department, Inc.
Destrehan, 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 East Side St. Charles Parish Volunteer Fire Department, Inc. as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the East Side St. Charles Parish Volunteer Fire Department, Inc.'s basic financial statements and have issued our report thereon dated September 22, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered East Side St. Charles Parish Volunteer Fire Department, Inc.'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 East Side St. Charles Parish Volunteer Fire Department, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of East Side St. Charles Parish Volunteer Fire Department, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of the
East Side St. Charles Parish Volunteer Fire Department, Inc.
September 22, 2022

Report on Compliance and Other Matters

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

Purpose of this Report

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

September 22, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I SUMMARY OF AUDITORS' REPORTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of East Side St. Charles Parish Volunteer Fire Department, Inc.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of East Side St. Charles Parish Volunteer Fire Department, Inc., are reported in the 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*.
4. No management letter was issued for the year ended December 31, 2021.

SECTION II FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the year ended December 31, 2021

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I FINANCIAL STATEMENT FINDINGS

There were no financial findings for the year ended December 31, 2020.

SECTION II MANAGEMENT LETTER ITEMS

There were no management letter items for the year ended December 31, 2020.

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
EAST SIDE ST. CHARLES VOLUNTEER FIRE DEPARTMENT
FOR THE YEAR ENDED
DECEMBER 31, 2021



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
East Side St. Charles Parish Volunteer Fire Department and the Louisiana Legislative Auditor

We have performed the procedures enumerated on Schedule "1" on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2021. The East Side St. Charles Parish Volunteer Fire Department's (the Fire Department) management is responsible for those C/C areas identified in the SAUPs.

The Fire 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 year ended 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 attached in Schedule "1."

We were engaged by the Fire 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 Fire 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 SAUP's, 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.

September 22, 2022
New Orleans, Louisiana


Certified Public Accountants

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES
JANUARY 1, 2021 – DECEMBER 31, 2021

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** 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) ***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.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

- 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.

Results: The entity's written policies and procedures completely address the functions of disbursements, receipts/collections, payroll, and credit cards listed above. For purchasing controls, the adding of vendors to the vendor list is not addressed and controls to ensure compliance with public bid law is not applicable. The entity's written policies and procedures do not address the functions of contracting or disaster recovery/business continuity. Ethics, debt service and sexual harassment are not applicable to the entity. Per Attorney General opinions, volunteer fire departments are not subject to the local government budget act, therefore, the written policies and procedures related to budgeting are not applicable.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** 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.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

Results: Obtained the board committee meeting minutes for the year. The board meets on a regular basis, minutes reference or include budget-to-actual comparisons on the general fund on a regular basis.

BANK RECONCILIATIONS

3. **Procedures:** 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
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date. Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. Bank reconciliations had no reconciling items outstanding for more than 12 months at the statement closing date.

COLLECTIONS

4. **Procedures:** 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. **Procedures:** 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.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

- 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.

Results: The Fire Department has no cash registers as the entity only accepts checks. The person responsible for receiving checks is not responsible for recording the transactions or reconciling the bank account; however, they may be responsible for depositing the checks at the bank. The entity has a formal process to reconcile its cash collections to the general ledger by a person who is not responsible for cash collections.

6. **Procedures:** 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.

Results: The Fire Department maintains insurance policies that cover theft, and it was in force during the fiscal period.

7. **Procedures:** 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.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

- 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.

Results: Of the two accounts tested, only one had deposit activity. The deposit slip total agreed to the actual deposit per the bank statement. Of the deposits tested, all check dates were within one week of the deposit date. The Department's revenue stream doesn't lend itself to the procedures related to sequentially pre-numbered receipts, and therefore, are not applicable.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- 8. **Procedures:** 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. **Procedures:** 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.

Results: The written policies and procedures adequately address that two employees should be involved in initiating a purchase request, approving a purchase, placing an order/making the purchase, and processing and approving payments to vendors. There are no written policies and procedures indicating who is responsible for adding/modifying vendor files or mailing of checks.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

10. **Procedures:** 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 that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #11, as applicable.

Results: The 5 disbursements matched the related original invoice/billing statement. The disbursement documentation included evidence of segregation of duties.

CREDIT CARDS/DEBIT CARDS/P-CARDS

11. **Procedure:** 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.

Results: Obtained a listing of all active credit cards and representation the listing is complete.

12. **Procedures:** 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. [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.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: The monthly statements were approved in writing by someone other than the authorized card holder. There were no finance charges and/or late fees assessed on the selected statements.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

13. **Procedure:** 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.

Results: Each of the selected transactions were 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).

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

14. **Procedures:** 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 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that 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 that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Not applicable. The Fire Department did not incur any travel or travel-related reimbursements paid during the fiscal period.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

CONTRACTS

15. **Procedures:** 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 that the contract was bid in accordance with the Louisiana or Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that 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 that 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Results: The Fire Department had no agreements/contracts initiated or renewed during the fiscal period therefore this section is not applicable.

PAYROLL AND PERSONNEL

16. **Procedures:** 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. **Procedures:** Randomly select one pay period during the fiscal period. For the employees selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

- c) Observe that 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.

Results: Each employee selected had documentation of daily attendance and leave, supervisors approved the attendance and leave forms, any leave accrued or taken during the pay period is reflected in the cumulative leave records and the observed pay rate agreed to the authorized personnel file.

18. **Procedures:** Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

Results: There were no termination payments made during the year.

19. **Procedures:** 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 associated forms have been filed, by required deadlines.

Results: We obtained management representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadline.

ETHICS

20. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee 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.

Results: Procedure not applicable to the Fire Department as it is a not-for-profit organization.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

DEBT SERVICE

21. **Procedures:** Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results: Not applicable. The Fire Department did not issue bonds/notes during the fiscal period.

22. **Procedures:** 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).

Results: Not applicable. The Fire Department did not have bonds/notes outstanding at the end of the fiscal period.

FRAUD

23. **Procedures:** 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.

Results: There were no misappropriations of public funds and assets during the fiscal period.

24. **Procedures:** Observe that 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. This notice is available for download or print at www.lla.la.gov/hotline.

Results: The Fire Department has posted the required notice on its premises and website.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

INFORMATION TECHNOLOGY DISASTER RECOVERY & BUSINESS CONTINUTY

25. **Procedures:** 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.

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

26. **Procedures:** 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. **Procedures:** Observe that 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).

28. **Procedures:** 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 that 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;

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

- 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.

Results: Procedure not applicable to Fire Department as it is a not-for-profit organization.

EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT
CORRECTIVE ACTION PLAN – AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2020

September 22, 2022

Louisiana Legislative Auditor

The East Side St. Charles Parish Volunteer Fire Department respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Erickson Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: January 1, 2021 – December 31, 2021

The exceptions from the Statewide Agreed-Upon Procedures Report are discussed below:

Written Policies and Procedures

Exceptions: For purchasing controls, the adding of vendors to the vendor list is not addressed. None of the functions of contracting and disaster recovery/business continuity are addressed by the entity's written policies and procedures.

Collections

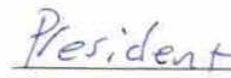
Exceptions: The person responsible for receiving checks at times may be responsible for depositing the checks at the bank.

Management's Response to Exceptions: Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please call Fire Chief Donald Peyton at (985) 764-8112.

Sincerely,


Signature


Title