

**TERRYTOWN FIFTH DISTRICT
VOLUNTEER FIRE DEPARTMENT, INC.**

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Terrytown Fifth District Volunteer Fire Department Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the Terrytown Fifth District Volunteer Fire Department Inc. One (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements of the operations fund are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements of the operations fund, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements of the operations fund 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Terrytown Fifth District Volunteer Fire Department Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenues and Expenditures – Public Fund and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the Terrytown Fifth District 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Terrytown Fifth District Volunteer Fire Department Inc.'s internal control over financial reporting and compliance.



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Gretna, Louisiana

March 31, 2022

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
CURRENT ASSETS			
Cash in Banks and On-hand	\$ 397,793	\$ 2,040,262	\$ 2,438,055
Cash in Savings Accounts and Certificates of Deposit	290,364	135,585	425,949
Accounts Receivable	-	-	-
Prepaid Expenses	-	43,852	43,852
Total Current Assets	<u>688,157</u>	<u>2,219,699</u>	<u>2,907,856</u>
PROPERTY AND EQUIPMENT			
Land	-	33,928	33,928
Buildings and Improvements	-	3,510,958	3,510,958
Machinery and Equipment	-	1,300,047	1,300,047
Furniture and Fixtures	-	314,551	314,551
	-	5,159,484	5,159,484
Less: Accumulated Depreciation	-	(3,464,173)	(3,464,173)
Net Property and Equipment	<u>-</u>	<u>1,695,311</u>	<u>1,695,311</u>
OTHER ASSETS			
Meter Deposits	-	75	75
Total Other Assets	<u>-</u>	<u>75</u>	<u>75</u>
TOTAL ASSETS	<u>\$ 688,157</u>	<u>\$ 3,915,085</u>	<u>\$ 4,603,242</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Salary Related Costs	-	7,210	7,210
Compensated Absences	-	159,882	159,882
Other	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>167,092</u>	<u>167,092</u>
NET ASSETS	<u>688,157</u>	<u>3,747,993</u>	<u>4,436,150</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 688,157</u>	<u>\$ 3,915,085</u>	<u>\$ 4,603,242</u>

The accompanying notes are an integral part of these statements.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT			
Intergovernmental Contributions			
Jefferson Parish Millage Allocation - Operating	\$ -	\$ 3,300,000	\$ 3,300,000
Jefferson Parish Millage Allocation - Capital	-	1,358,848	1,358,848
State Fire Insurance Rebate	-	-	-
Other Contributions			
Voluntary Contributions from Businesses and Individuals	36,721	-	36,721
Ladies' Auxillary	935	-	935
Grants			
FEMA Grant	-	13,284	13,284
CARES Act Funding	-	232,196	232,196
Miscellaneous Income			
Insurance Proceeds	-	24,112	24,112
Workman's compensation dividend	-	130,492	130,492
Other miscellaneous income	-	2,462	2,462
Net Assets Released From Restrictions:			
Net Assets Released from Restrictions for Fire District Operations	5,054,891	(5,054,891)	-
Total Revenues	<u>5,092,547</u>	<u>6,503</u>	<u>5,099,050</u>
EXPENSES			
Administrative Costs	71,680	-	71,680
Firefighting Costs	5,507,471	-	5,507,471
Fundraising Expenses	3,541	-	3,541
Total Expenses	<u>5,582,692</u>	<u>-</u>	<u>5,582,692</u>
Increase (Decrease) in Net Assets from Operations	(490,145)	6,503	(483,642)
NONOPERATING REVENUES (EXPENSES)			
Investment Return (interest income)	517	4,688	5,205
Increase (Decrease) in Net Assets	(489,628)	11,191	(478,437)
NET ASSETS - BEGINNING OF YEAR	1,177,785	3,736,802	4,914,587
NET ASSETS - END OF YEAR	<u>\$ 688,157</u>	<u>\$ 3,747,993</u>	<u>\$ 4,436,150</u>

The accompanying notes are an integral part of these statements.

**TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (478,437)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	221,125
Loss on disposal of assets	1,377
(Increase) Decrease in operating assets	
Accounts receivable	463,110
Prepays and other	(10,260)
Increase (Decrease) in operating liabilities	
Accounts payable	(34,541)
Accrued salaries and related costs	1,757
Compensated absences payable	17,494
Net Cash Provided By (Used In) Operating Activities	<u>181,625</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(1,726,593)
Transfer/Donation of fixed assets to Jefferson Parish	1,688,181
Net Cash Provided By (Used In) Investing Activities	<u>(38,412)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	143,213
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,720,791
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 2,864,004</u></u>
Reconciliation of cash on hand to Statement of Financial Position	
Cash in Banks and On-hand	\$ 2,438,055
Cash in Savings Accounts and Certificates of Deposit	425,949
	<u><u>\$ 2,864,004</u></u>

The accompanying notes are an integral part of these statements.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>ADMINISTRATIVE</u>	<u>FIREFIGHTING</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
PAYROLL AND RELATED COSTS				
Labor - Salaries/Wages	\$ 27,868	\$ 2,091,406	\$ -	\$ 2,119,274
Payroll Taxes	2,281	171,217	-	173,498
Pension Plan	1,045	78,402	-	79,447
Insurance - Employees (Health, Life, Dental)	5,064	380,051	-	385,115
Insurance - Workmen's Comp Insurance	3,924	294,502	-	298,426
Medical - Physicals and Drug Tests	233	17,501	-	17,734
	<u>40,415</u>	<u>3,033,079</u>	<u>-</u>	<u>3,073,494</u>
FIREFIGHTING AND STATION EXPENSES				
Cable and Internet	335	25,148	-	25,483
Bunker Gear	-	20,108	-	20,108
Emergency Operations	-	1,458	-	1,458
Fire Prevention	-	3,036	-	3,036
Lawn Equipment Repairs	31	2,364	-	2,395
Medical Supplies	-	5,182	-	5,182
Pest Control	40	3,007	-	3,047
Repairs and Maintenance - Firehouses	-	40,088	-	40,088
Repairs and Maintenance - Residences	-	318	-	318
Supplies - Cleaning	-	254	-	254
Training	-	2,883	-	2,883
Uniforms and Badges	-	7,848	-	7,848
Utilities and Telephones - Firehouses - Heritage	365	27,393	-	27,758
Utilities and Telephones - Firehouses - Other	-	28,007	-	28,007
Utilities and Telephones - Residences	-	1,343	-	1,343
	<u>771</u>	<u>168,437</u>	<u>-</u>	<u>169,208</u>
VEHICLE AND EQUIPMENT EXPENSES				
Fuel	-	22,949	-	22,949
Insurance - Vehicles	10	719	-	729
Repairs and Maintenance - Vehicles and Equipment	-	184,523	-	184,523
	<u>10</u>	<u>208,191</u>	<u>-</u>	<u>208,201</u>
OPERATING AND ADMINISTRATIVE EXPENSES				
Accounting and Auditing	136	10,234	-	10,370
Advertising and Promotion	663	-	-	663
Depreciation Expense	2,908	218,217	-	221,125
Donations	-	350	-	350
Dues and Subscriptions	19,064	-	-	19,064
Incentive Program	3	225	-	228
Information and Technology	243	18,226	-	18,469
Insurance - General	1,297	97,347	-	98,644
Ladies Auxillary Costs	-	-	383	383
Legal	41	3,044	-	3,085
Loss on disposal of assets	18	1,359	-	1,377
Licenses and Taxes	43	-	-	43
Meetings	21	1,543	-	1,564
Membership	99	7,440	-	7,539
Miscellaneous	8	592	-	600
Office and Supplies	2,893	-	-	2,893
Postage	2,367	-	-	2,367
Supplies - Other	533	39,977	-	40,510
Travel	147	11,029	-	11,176
Voluntary Contribution Costs	-	-	3,158	3,158
	<u>30,484</u>	<u>409,583</u>	<u>3,541</u>	<u>443,608</u>
INTERGOVERNMENTAL DONATION				
Donation of Vehicles to Parish	-	1,688,181	-	1,688,181
	<u>-</u>	<u>1,688,181</u>	<u>-</u>	<u>1,688,181</u>
TOTAL EXPENSES	<u>\$ 71,680</u>	<u>\$ 5,507,471</u>	<u>\$ 3,541</u>	<u>\$ 5,582,692</u>

The accompanying notes are an integral part of these statements.

**TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Terrytown Fifth District Volunteer Fire Department, Inc.'s (the Fire Department's) significant accounting policies applied in the preparation of the accompanying financial statements follows:

Nature of Activities

Terrytown Fifth District Volunteer Fire Department, Inc. (the Fire Department) is a nonprofit organization dedicated to providing the citizens of the Fifth Fire Protection District of Jefferson Parish (which includes Terrytown and adjoining unincorporated portions of Jefferson Parish) with fire protection and related services and facilities. The Fire Department is under contract with the Parish of Jefferson to provide these services by administering the daily activities of this district. The Fire Department is also supported by donor contributions and other miscellaneous fees and charges. The majority of the Fire Department's revenues are derived from the Parish contract.

Basis of Presentation

The financial statements of the Fire Department have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Fire Department to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Fire Department's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Fire Department or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the fund be maintained in perpetuity and used only for a specified purpose.

Donor restricted contributions are reported as increases to net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The funds received from the Parish for fire protection services under the cooperative endeavor contract are considered donor restricted.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Fire Department's ongoing fire protection services in the Fifth District of Jefferson Parish and the provision of support and community services to the firefighters and volunteers who provide services. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measure of Operations (continued)

Receipts under the intergovernmental cooperative endeavor agreement with the Parish are recognized as operating support in the month and year for which they are received. The net assets are released from donor restrictions as expenses for firefighting services are incurred. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. The Fire Department considers all property and equipment purchased with Parish contracted funds (i.e., "public funds") to be donor restricted.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts, savings accounts, or certificates of deposit and are carried at cost. Funds deposited from the ad valorem tax millage are placed into a "special" fund and can only be disbursed for operating expenses of the Fire Department (i.e., for the public purpose of providing fire protection services).

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid instruments with an initial maturity of three months or less to be cash equivalents.

Supplemental Disclosure of Cash Flow information

Cash paid during the year for:

Interest \$-0-

Income taxes \$-0-

Investments

Investments, if any, are typically in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values (based on quoted market prices) in the Statement of Financial Position. These investments fall under Level 1 of the fair value hierarchy as defined by FASB ASC 820-10-05. Unrealized gains and losses are included in changes in net assets.

**TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment, consisting primarily of fire stations and residences, furniture, fixtures, and equipment, are recorded at cost when purchased and at fair market value when received as a donation. The Fire Department capitalizes property and equipment purchases over \$1,000 and expenses those purchases under \$1,000. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Depreciation is computed using the straight-line method over the useful lives of the assets. The lives range from 3 to 39 years.

Property and equipment does not include fire trucks and vehicles donated by the Fire Department to the Fifth Fire District of Jefferson Parish. Historically, the Fire Department has received subsidies from the Fifth Fire District of Jefferson Parish for the purchase of fire trucks. The trucks are then purchased by the Fire Department and donated back to the Fifth Fire District of Jefferson Parish. This is done because the funding source of these subsidies is parish ad valorem taxes and the property must stay in the "public domain". The fire trucks and vehicles are utilized by the Fire Department but they are insured by and titled in the name of the Parish of Jefferson. These fire trucks are reported for in the financial statements of the Parish of Jefferson.

Prepaid Expenses and Other Deposits

Items that benefit a future period are recorded as prepaid at year end, if deemed material. These amounts are recognized as expenditures in the period that they benefit.

Donated Services, Goods and Facilities

No amounts have been reflected in the financial statements for donated services, equipment or facilities. Donated services were not recorded because the value of these services is not readily determinable. However, it should be noted that a substantial number of volunteers donate time to the Fire Department's program services. The Fire Department is also allowed to utilize equipment and facilities that are owned by the Parish's Fifth Fire Protection District. The value of these items is also excluded since they are not readily determinable.

Compensated Absences

The Fire Department allows employees who work more than 50 hours per week to earn annual leave at the rate of 0 to 360 hours per year depending on length of continuous service. Annual leave is awarded on the first day of the next pay period after an employee's anniversary date. Employees are allowed to carry-over up to 300 hours from one year to the next. Upon separation, the annual leave is paid to the employee at 100 percent of its current value.

Income Taxes

The Fire Department is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code, which exempts volunteer fire departments, and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950.

**TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertain Tax Positions

The Fire Department follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. The implementation of this Topic has had no impact on the statement of financial position and the statement of activities and changes in net assets. The federal and state tax returns of the Fire Department are subject to examination by taxing authorities for the years ended June 30, 2021, 2020 and 2019. All tax returns have been appropriately filed by the Fire Department. The Fire Department's tax filings are subject to audit by various taxing authorities. As of June 30, 2021, management evaluated NOFJA's tax position and concluded that NOFJA has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

New Accounting Pronouncement

The Fire Department has adopted ASU No. 2018-08, Not-For-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The new guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. The adoption of this standard for the year ended June 30, 2021 did not result in a change to the Fire Department's revenue. Management believes the standard improves the usefulness and understandability of NOFJA's financial reporting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Fire Department's management has evaluated subsequent events through March 31, 2022, which is the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

Cash and cash equivalents totaled \$2,860,696 at June 30, 2021 (including \$22,438,055 in cash and checking accounts, \$422,641 in certificates of deposit, and \$550 in petty cash).

**TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Cash and Cash Equivalents

The following is schedules of cash (book) balances reported in at June 30, 2021:

Schedule of Cash in Banks and On-Hand

Bank/Description	Without Donor Restrictions	With Donor Restriction
Capital One		
Special (Public) Account - Checking		\$ 1,917,439
Special (Public) Account - Payroll		122,273
Regular (Private) Checking	\$ 393,089	
Petty Cash on Hand		550
Gulf Coast Bank and Trust		
Ladies Auxillary Account	4,704	
Total Cash in Banks and On-Hand	\$ 397,793	\$ 2,040,262

Total Cash and Cash Equivalents

	Without Donor Restrictions	With Donor Restriction	Total
Total Cash in Banks and On-Hand	\$ 397,793	\$ 2,040,262	\$ 2,438,055
Total Savings and Certificates of Deposit	290,364	135,585	425,949
Total Cash and Cash Equivalents	\$ 688,157	\$ 2,175,847	\$ 2,864,004

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Total Cash and Cash Equivalents

	Without Donor Restrictions	With Donor Restriction	Total
Total Cash in Banks and On-Hand	\$ 397,793	\$ 2,040,262	\$ 2,438,055
Total Savings and Certificates of Deposit	290,364	135,585	425,949
Total Cash and Cash Equivalents	\$ 688,157	\$ 2,175,847	\$ 2,864,004

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Pledged Securities

Custodial risk is the risk that, in the event of a bank failure, the Fire Department's deposits might not be recovered. The Fire Department's policy for custodial credit risk conforms to state law, which includes the use of federal deposit insurance and securities pledged by the bank.

As noted above, the Fire Department maintains cash balances and certificates of deposit at several financial institutions in the New Orleans area. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Interest bearing accounts with balances in excess of FDIC insurance at a financial institution are also secured by pledged securities held in joint custody at the Federal Reserve Bank, New Orleans in the Fire Department's name. At June 30, 2021, the book balances of cash and cash equivalents totaled \$2,864,004 and the bank balances of \$2,870,193 were entirely secured by FDIC insurance and/or pledged securities.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Fire Department had the following financial assets available to meet cash needs for general expenditures within one year:

<u>Financial assets at year end</u>	<u>June 30, 2021</u>
Cash and cash equivalents	\$ 2,864,004

As part of the Fire Department's liquidity management, it invests cash in excess of daily requirements in short-term investments (typically CDs). The Fire Department does not maintain any open letters of credit with its fiscal agent bank; therefore, it must monitor its short-term cash needs closely to ensure that its cash balances are adequate to cover current expenditures. The contract with the Parish provides a monthly allocation in about the third week of each month based on 1/12th of the annual estimated revenue from the ad valorem taxes for that year. These allocations are taken into account when monitoring cash-flows.

**TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 consisted of the following:

<u>Asset Category</u>	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Donations</u>	<u>June 30, 2021</u>
Non Depreciable Assets					
Land	\$ 33,928	\$ -	\$ -	\$ -	\$ 33,928
Vehicles and Fire Trucks	-	1,688,181	-	(1,688,181)	-
Total Non Depreciable Assets	33,928	1,688,181	-	(1,688,181)	33,928
Depreciable Assets					
Buildings and Improvements	3,531,137	-	(20,179)	-	3,510,958
Machinery and Equipment	1,318,429	32,090	(50,472)	-	1,300,047
Furniture and Fixtures	308,229	6,322	-	-	314,551
Total Depreciable Assets	5,157,795	38,412	(70,651)	-	5,125,556
Total Property and Equipment	5,191,723	1,726,593	(70,651)	(1,688,181)	5,159,484
Less Accumulated Depreciation	(3,312,322)	(221,125)	69,274	-	(3,464,173)
Net Property and Equipment	<u>\$ 1,879,401</u>	<u>\$ 1,505,468</u>	<u>\$ (1,377)</u>	<u>\$ (1,688,181)</u>	<u>\$ 1,695,311</u>

Depreciation expense for the year ended June 30, 2021 was \$221,125. Donations of \$1,688,181 represent the transfer of department purchased vehicles (pumper trucks) to the Parish of Jefferson, in accordance with the contract (all fire-related vehicles must be titled in the Parish's name under the contract).

NOTE 5 - COMPENSATED ABSENCES

Compensated absences payable at June 30, 2021 totaled \$159,882.

NOTE 6 - RESTRICTIONS ON NET ASSETS

At June 30, 2021, net assets without donor restrictions totaled \$688,157 and the amount of net assets with donor restrictions totaled \$3,744,685. The net assets without donor restrictions are essentially made up of the private cash accounts (the regular account and the ladies auxiliary account, along with any related investments in CDs). The amounts held as net assets with donor restrictions are made up of the funds received from the Parish and deposited into the Special Account or the Payroll account, any related CDs, and any property and equipment purchased with those funds and dedicated to providing fire protection services under the contract, net of any related payables and accrued liabilities.

**TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 7 - INTERGOVERNMENTAL CONTRACTED SERVICES

The Fire Department is under contract with the Parish of Jefferson to provide fire protection services within the Fifth Fire Protection District. The current contract is effective from May 1, 2018 through December 1, 2027. Afterwards, the contract will be month-to-month until a new one is negotiated. The contract calls for the Fire Department to provide fire protection services to the Fifth District of Jefferson Parish in exchange for funding from the Parish.

To fund the contract, the Parish levied an ad valorem tax of 18.60 mills for 2020 on the assessed valuation of properties within the Fifth Fire District to fund these operations (the millage rate was renewed by the voters on May 4, 2013 for 10 years). The taxes are received by the Parish in 2021 and are passed through to the Fire Department under this cooperative endeavor agreement in monthly installments, which represent the 1/12th of the estimated net proceeds of the millage levied annually.

NOTE 8 – CONCENTRATION OF SUPPORT

Substantially all of the Fire Department's public support is derived from funds provided by the contract with the Parish of Jefferson.

The revenues from this operating contract amounted to \$3,090,000 for 2020 and made up a substantial portion (64.7 percent) of the Fire Department's total revenues. The Fire Department also received a capital allocation from the same millage totaling \$1,293,882, which represented 26.6 percent of current year revenues.

Management is not aware of any plans on the part of the Parish of Jefferson to terminate this contract.

NOTE 9 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various firefighting programs, administrative activities, and other general activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and support activities based on management's estimates of time and percentages used to conduct those functions.

NOTE 10 - ADVERTISING COSTS

Advertising costs are expensed as incurred. For the years ended June 30, 2021, advertising expense totaled \$663.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 11 - PENSION PLAN

The Fire Department has a non-standardized 401k Profit Sharing Plan. The plan allows individuals employed over six months who have completed 1,000 hours of service and have reached the age of 21 to defer up to 10 percent of their compensation, subject to limitations. The Fire Department makes non-forfeitable contributions of 5 percent of the compensation for those eligible employees that elect to participate in the plan by making salary reduction contributions. Employee contributions to the pension plan for the year ended June 30, 2021 were \$108,008. The cost to the Fire Department for the year ended June 30, 2021 was \$79,447

NOTE 12 - EXPENSES PAID BY OTHERS

The full-time firefighters of the Fire Department who meet certain requirements receive supplemental pay from the State of Louisiana under the provisions of LRS 33:2002. The State pays this supplemental pay directly to the firefighters; therefore, the expense does not pass through these financial statements. State supplemental payments made to Fire Department employees totaled \$127,400 for the fiscal year ended June 30, 2021. The supplemental pay is included in the taxable income of the firefighters so that federal and state taxes may be applied.

NOTE 13 - CARES ACT FUNDING

In response to the COVID-19 pandemic, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). As part of the CARES Act, states and localities were to receive direct payments totaling \$3 billion. Louisiana's share totaled \$1.8 billion. The State allocated a portion of these funds to parishes and municipalities who have or will incur expenditures due to the public health emergency between the dates of March 27, 2020 and December 31, 2020. Through the year ended June 30, 2021 the Fire Department received \$232,196 of Cares Act funding.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF REVENUES AND EXPENDITURES - PUBLIC FUND
For the Year Ended June 30, 2021

REVENUES

Jefferson Parish Millage Allocation - Operating	\$ 3,300,000
Jefferson Parish Millage Allocation - Capital	1,358,848
State Fire Insurance Rebate	-
Federal Grant - FEMA	13,284
Federal Grant - CARES Act	232,196
Insurance Proceeds	24,112
Workman's compensation dividend	130,492
Other miscellaneous income	2,462
Interest income	4,688
	<u>5,066,082</u>

EXPENDITURES

PAYROLL AND RELATED COSTS

Labor - Salaries/Wages	2,119,274
Payroll Taxes	173,498
Pension Plan	79,447
Insurance - Employees (Health, Life, Dental)	385,115
Insurance - Workmen's Comp Insurance	298,426
Medical - Physicals and Drug Tests	17,734
	<u>3,073,494</u>

FIREFIGHTING AND STATION EXPENSES

Cable and Internet	25,483
Bunker Gear	20,108
Emergency Operations	1,458
Fire Prevention	3,036
Lawn Equipment Repairs	2,395
Medical Supplies	5,182
Pest Control	3,047
Repairs and Maintenance - Firehouses	40,088
Repairs and Maintenance - Residences	318
Supplies - Cleaning	254
Training	2,883
Uniforms and Badges	7,848
Utilities and Telephones - Firehouses - Heritage	27,758
Utilities and Telephones - Firehouses - Other	28,007
Utilities and Telephones - Residences	1,343
	<u>169,208</u>

VEHICLE AND EQUIPMENT EXPENSES

Fuel	22,949
Insurance - Vehicles	-
Repairs and Maintenance - Vehicles and Equipment	184,523
	<u>207,472</u>

OPERATING AND ADMINISTRATIVE EXPENSES

Accounting and Auditing	10,370
Advertising and Promotion	663
Depreciation Expense	221,125
Donations	-
Dues and Subscriptions	19,064
Incentive Program	228
Information and Technology	18,469
Insurance - General	97,357
Ladies Auxillary Costs	-
Legal	3,085
Loss on disposal of assets	1,377
Licenses and Taxes	43
Meetings	806
Membership	1,602
Miscellaneous	600
Office and Supplies	2,893
Postage	352
Supplies - Other	40,510
Travel	11,176
Voluntary Contribution Costs	-
	<u>429,720</u>

INTERGOVERNMENTAL DONATIONS

Donation of Fire Trucks to Parish	1,688,181
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TOTAL EXPENDITURES

5,568,075

EXPENDITURES IN EXCESS OF REVENUES

\$ (501,993)

**TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
 SCHEDULE OF COMPENSATION AND OTHER PAYMENTS TO AGENCY
 HEAD OR CHIEF EXECUTIVE OFFICER
 For the Year Ended June 30, 2021**

Agency Head Name / Title: Michael L Burt, President

Purpose		Amount	
Salary	A	\$	-
Benefits - Insurance		\$	-
Benefits - Retirement		\$	-
Benefits - Other		\$	-
Car allowance		\$	-
Vehicle provided by government		\$	-
Per diem		\$	-
Reimbursement		\$	-
Travel		\$	-
Registration Fee		\$	-
Conference Travel		\$	-
Housing		\$	-
Unvouchered Expenses		\$	-
Special Meals		\$	-
Other		\$	-

Notes to Schedule:

A - The President serves in a voluntary capacity and receives no salary.

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

To the Board of Directors of
Terrytown Fifth District Volunteer Fire Department Inc.

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 operations fund financial statements of Terrytown Fifth District Volunteer Fire Department Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements of the operations fund, and have issued our report thereon dated March 31, 2022

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the operational fund, we considered Terrytown Fifth District 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 opinion on the operations fund financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Terrytown Fifth District Volunteer Fire Department Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-01 and 2021-02 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Terrytown Fifth District Volunteer Fire Department Inc.'s operations fund 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 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 or other matters that are required to be reported under *Government Auditing Standards*.

Terrytown Fifth District Volunteer Fire Department Inc.'s Response to Findings

Terrytown Fifth District Volunteer Fire Department Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Terrytown Fifth District Volunteer Fire Department Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
March 31, 2022

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2021

We have audited the financial statements of the Terrytown Fifth District Volunteer Fire Department, Inc. (the Fire Department) as of and for the year ended June 30, 2021, and have issued our report thereon dated March 31, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2021 resulted in an unqualified opinion.

Section I – Summary of Auditor’s Report

A. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control

Material Weakness ___ Yes X No
Significant Deficiency X Yes ___ No

Compliance

Compliance Material to the Financial Statements ___ Yes X No

Management Letter

Management Letter issued: ___ Yes X No

B. Federal Awards

The Fire Department was not subject to a Single Audit under OMB’s Uniform Guidance.

Section II – Financial Statement Findings

A. Material Weakness – None

B. Significant Deficiencies –

Finding 2021-01 - Inadequate Segregation of Duties

Criteria: Internal control is a process affected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Cause: We noted that the size of the Fire Department’s operations is too small to provide for an adequate segregation of duties.

Effect: The lack of segregation of duties in the accounting function constitutes a material weakness in the internal control over financial reporting.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2021

Section II – Financial Statement Findings (continued)

B. Significant Deficiencies –

Finding 2021-01 - Inadequate Segregation of Duties (continued)

Condition: The Fire Department's Treasurer is charged with most of the responsibilities relating to the cash receipts, cash disbursements, payroll and financial reporting cycles. The Fire Department does, however, have various controls in place which tend to mitigate this problem, including (1) having another person review and initial all bank reconciliations, (2) requiring dual signatures on all checks, (3) requiring the presentation of actual versus budget reports on a monthly basis.

Recommendation - Employing additional controls may not be cost beneficial, however, the Board should remain cognizant of the lack of segregation of duties.

Management's Response - We are aware of the condition, however, at this point we are not in the financial position of addressing the problem. The Board is aware of the condition and will continue to monitor the financial activity of the Fire Department in a timely manner.

Finding 2021-02 - Preparation of Financial Statements by Auditor

Criteria and Condition: The Fire Department does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principles. As is common in small organizations, the Fire Department has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, due to the cost constraints of acquiring the ability to prepare the financial statements in accordance with the generally accepted accounting principles.

Cause: Statement of Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. SAS 115 does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Effect: The Fire Department engages the auditor to prepare its annual financial statements.

Recommendation: Whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. We do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2021

Section II – Financial Statement Findings (continued)

B. Significant Deficiencies –

Finding 2021-02 - Preparation of Financial Statements by Auditor (continued)

Management's Response: The Fire Department's staff is familiar with the day-to-day accounting requirements and the monthly cash basis reporting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

C. Compliance – None

D. Management Letter – None

Section III – Federal Award Findings and Questioned Costs

Not Applicable

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
STATUS OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2021

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

A. Material Weakness - None

B. Significant Deficiency

Finding #20-01 Inadequate Segregation of Duties

Not resolved see current year finding 2021-01

Finding #20-02 Preparation of Financial Statements by Auditor

Not resolved see current year finding 2021-02

C. Compliance – None

D. Management Letter – None

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable