

FINANCIAL REPORT  
MARRERO-RAGUSA VOLUNTEER  
FIRE COMPANY NO. 3  
DECEMBER 31, 2021 AND 2020

MARRERO-RAGUSA VOLUNTEER  
FIRE COMPANY NO. 3

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## INDEPENDENT AUDITOR'S REPORT

June 17, 2022

Board of Directors  
Marrero-Ragusa Volunteer Fire  
Company No. 3  
Marrero, Louisiana

### Opinion

We have audited the accompanying financial statements of Marrero-Ragusa Volunteer Fire Company No. 3 (a Louisiana nonprofit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marrero-Ragusa Volunteer Fire Company No. 3 as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marrero-Ragusa Volunteer Fire Company No. 3 and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## **Responsibilities of Management 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.

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 Marrero-Ragusa Volunteer Fire Company No. 3's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibility 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Marrero-Ragusa Volunteer Fire Company No. 3'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 Marrero-Ragusa Volunteer Fire Company No. 3's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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 June 17, 2022 on our consideration of Marrero-Ragusa Volunteer Fire Company No. 3's internal control over financial reporting and 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 our testing, and not to provide an opinion on the 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 Marrero-Ragusa Volunteer Fire Company No. 3's internal control over financial reporting and compliance.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
 STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,310,371	\$ 1,486,102
Prepaid expenses	<u>28,283</u>	<u>25,814</u>
Total current assets	1,338,654	1,511,916
USE OF ASSETS - NET	<u>1,009,698</u>	<u>1,165,051</u>
TOTAL ASSETS	<u>\$ 2,348,352</u>	<u>\$ 2,676,967</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accrued payroll and tax liabilities	\$ 69,024	\$ 50,110
Accounts payable	10,363	-
Compensated absences	<u>48,731</u>	<u>39,572</u>
Total current liabilities	<u>128,118</u>	<u>89,682</u>
Net Assets:		
Without donor restrictions	<u>2,220,234</u>	<u>2,587,285</u>
Total net assets	<u>2,220,234</u>	<u>2,587,285</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,348,352</u>	<u>\$ 2,676,967</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE:		
Contract revenue:		
Firefighting contract	\$ 2,400,000	\$ 2,400,000
Jefferson Parish insurance rebate	50,800	50,645
Jefferson Parish capital account	625	35,000
Jefferson Parish Cares Act funds	1,317	609,302
Insurance proceeds	-	567
Interest	2,059	5,223
Donated firefighting services	4,605	5,210
Other	<u>59,985</u>	<u>21,493</u>
Total revenues	<u>2,519,391</u>	<u>3,127,440</u>
EXPENSES:		
Program services - firefighting	2,776,604	2,610,674
Supporting services:		
Management and general	<u>109,838</u>	<u>165,578</u>
Total expenses	<u>2,886,442</u>	<u>2,776,252</u>
(DECREASE) INCREASE IN NET ASSETS	(367,051)	351,188
NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF PERIOD	<u>2,587,285</u>	<u>2,236,097</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF PERIOD	<u>\$ 2,220,234</u>	<u>\$ 2,587,285</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 35,741	\$ 35,741
Arson investigation	1,667	-	1,667
Depreciation	153,867	1,486	155,353
Donated firefighting services	4,605	-	4,605
Dues and subscriptions	-	223	223
Equipment	1,715	10,174	11,889
Fire Alarm	2,855	-	2,855
Fire station supplies	9,713	-	9,713
Fuel	15,118	-	15,118
Gear	33,774	-	33,774
Insurance	523,982	5,062	529,044
Interest	-	394	394
Medical	4,786	46	4,832
Office	-	36,526	36,526
Payroll taxes	126,445	3,349	129,794
Radio	21,604	-	21,604
Repairs - station and vehicles	100,977	-	100,977
Retirement contribution	49,143	475	49,618
Salaries and wages	1,639,085	15,745	1,654,830
Software	10,300	100	10,400
Telephone and utilities	53,480	517	53,997
Training and travel	8,236	-	8,236
Uniforms	<u>15,252</u>	<u>-</u>	<u>15,252</u>
 TOTAL	 \$ <u>2,776,604</u>	 \$ <u>109,838</u>	 \$ <u>2,886,442</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Accounting and legal	\$ -	\$ 38,777	\$ 38,777
Arson investigation	1,923	-	1,923
Depreciation	170,994	4,689	175,683
Donated firefighting services	5,210	-	5,210
Dues and subscriptions	-	3,550	3,550
Equipment	1,879	19,078	20,957
Fire alarm	3,267	-	3,267
Fire station supplies	42,148	-	42,148
Fuel	10,969	-	10,969
Gear	25,483	-	25,483
Insurance	384,174	10,534	394,708
Interest	-	6,236	6,236
Medical	5,125	141	5,266
Office	-	29,563	29,563
Payroll taxes	123,626	6,743	130,369
Repairs - station and vehicles	140,432	-	140,432
Retirement contribution	41,163	1,129	42,292
Salaries and wages	1,575,775	43,459	1,619,234
Software	6,528	179	6,707
Telephone and utilities	54,707	1,500	56,207
Training and travel	165	-	165
Uniforms	<u>17,106</u>	<u>-</u>	<u>17,106</u>
 TOTAL	 <u>\$ 2,610,674</u>	 <u>\$ 165,578</u>	 <u>\$ 2,776,252</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (367,051)	\$ 351,188
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	155,353	175,683
(Increase) decrease in prepaid expenses	(2,469)	4,109
Increase in accrued payroll and tax liabilities	18,914	16,038
Increase in accounts payable	10,363	-
Decrease in interest payable	-	(795)
Increase (decrease) in compensated absences	9,159	(9,150)
Net cash (used) provided by operating activities	<u>(175,731)</u>	<u>537,073</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Loan payments	-	(127,881)
Capital lease payments	<u>-</u>	<u>(13,004)</u>
Net cash used by financing activities	<u>-</u>	<u>(140,885)</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(175,731)</b>	<b>396,188</b>
Cash at beginning of year	<u>1,486,102</u>	<u>1,089,914</u>
<b>CASH AT END OF YEAR</b>	<b>\$ <u>1,310,371</u></b>	<b>\$ <u>1,486,102</u></b>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest paid	\$ <u>-</u>	\$ <u>7,031</u>
Taxes paid	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

ORGANIZATION:

Marrero-Ragusa Volunteer Fire Company No. 3 (the Company) was established in 1954 to provide firefighting and rescue service to a designated area of the Eighth Fire District on the West Bank of Jefferson Parish, Louisiana (a separate entity). In addition, the Company provides fire code inspections for businesses within its district, as well as firefighting and rescue training for its members. The Company maintains three fire stations and has 38 paid employees and approximately 25 volunteers. The Company's main source of revenue is a fire protection contract with Jefferson Parish effective for the period June 1, 2004 through May 31, 2014. The contract was adopted by the Jefferson Parish Council on May 25, 2004 by resolution number 103561. The contract is currently operating on a month-to-month basis while negotiating a new contract with Jefferson Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting and Financial Statement Presentation:

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The fire department is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor-imposed restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets. As of December 31, 2021 and 2020, the fire department had only net assets without donor restrictions.

Allocation of Expenses:

The cost of providing programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses, which are easily and directly associated with firefighting or general and administrative, are charged directly to that functional area. Certain other expenses have been allocated to firefighting services and general and administrative based on time devoted by the fire department's staff.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue:

Revenue consists primarily of appropriations of ad valorem taxes and fire insurance rebate funds received from the Eighth Fire Protection District. Marrero-Ragusa Volunteer Fire Company No. 3 receives a percentage of total funds available to the Eighth Fire Protection District based on the formula contained in a contract agreed to by all participating fire departments in the district. Other sources of revenues would include fund raising, contributions, and interest. These other sources of revenue are recorded when received.

Contributions:

FASB ASC 958-605-10 provides that the value of donated services is to be recognized in financial statements if the services require specialized skills, are provided by persons possessing those skills, and the services would be purchased if they were not donated. The Company's volunteer firefighters undergo extensive specialized training, and the firefighting services would have to be purchased by the Company or Jefferson Parish if the services were not provided by volunteers.

Income Taxes:

The Company is exempt from income taxes under Internal Revenue Code Section 501(c)(4) as a nonprofit organization and, accordingly, the financial statements do not reflect a provision for income taxes.

The Company's Federal Return of Organization Exempt from Income Tax (990) for 2021, 2020, 2019, and 2018 are subject to examination by the IRS, generally, for three years after they were filed.

Cash and Cash Equivalents:

For purposes of the Statement of Cash Flows, the Company considers cash in operating bank accounts, demand deposits, and cash on hand with a maturity of three months or less as cash and cash equivalents.

Use of Assets:

It is understood that any acquisition of immovable property, equipment, vehicles, or buildings by the fire department with funds from the Jefferson Parish contract, are the property of Jefferson Parish, and, if legally required to be titled, should be titled in Jefferson Parish's name and not in the name of the fire department. It is also understood that in the event the fire department should cease operations voluntarily, for whatever reason, or be removed for just cause by Jefferson Parish, all buildings, equipment or apparatus purchased with appropriations from Jefferson Parish general and special revenue funds or contract consideration shall become (or remain if already titled in Jefferson Parish's name) the property of Jefferson Parish.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Assets: (Continued)

The assets owned and titled by Jefferson Parish and used by the fire department are reported on the department's Statements of Financial Position as a use of asset. The fire department records the use of asset for 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 5 to 40 years.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Economic Dependency, Fire Protection Contract

Substantially all of the Company's public support is derived from funds provided by Jefferson Parish. The Company had a contract with Jefferson Parish, effective June 1, 2004 through May 31, 2014, under which the Company receives one-third of certain ad valorem taxes assessed within the Eighth Fire Protection District of Jefferson Parish, as well as additional funding from sales taxes and fire insurance rebates. The contract is currently on a month-to-month basis and is in the process of being renewed with Jefferson Parish.

Amounts received from ad valorem taxes through the Jefferson Parish contract were \$2,400,000 for each of the years ended December 31, 2021 and 2020. Fire insurance rebates received through the Jefferson Parish contract were \$50,800 and \$50,645 for the years ended December 31, 2021 and 2020, respectively.

As part of the contract with Jefferson Parish, the Company is provided funds to purchase firefighting equipment. For the years ended December 31, 2021 and 2020, the Company received \$625 and \$35,000, respectively, support used to purchase firefighting equipment. Once the useful life of the asset is exhausted, the asset is turned over to the Parish for sale or disposal.

During the years ended December 31, 2021 and 2020, the Company received additional amounts from Jefferson Parish totaling \$1,317 and \$609,302, respectively, representing a share of CARES Act money received by the Parish as a result of the COVID-19 pandemic.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

2. CASH:

At December 31, 2021 and 2020, the Company maintained cash balances in a local bank. The bank balances totaled \$1,344,031 and \$1,526,798, and the book balances totaled \$1,310,371 and \$1,486,102, respectively. Bank balances were insured by federal deposit insurance through a promontory ICS sweep account.

3. DONATED SERVICES:

Many volunteers have donated significant amounts of their time to the fire company's firefighting program services. The value of these donated services that are included in the financial statements and the corresponding expenses for the years ended December 31, 2021 and 2020 was \$4,605 and \$5,210, respectively. The value of these donated services was estimated using the number of hours donated and an average of hourly rate paid to firefighters during the year.

4. COMPENSATED ABSENCES:

The Company's paid operators accrue vacation at varying rates based on their term of service. At December 31, 2021 and 2020, 23 and 18 employees had accumulated a total of \$48,731 and \$39,572, respectively, of unused vacation.

5. USE OF ASSETS:

Depreciation totaled \$155,353 and \$175,683 for the years ended December 31, 2021 and 2020, respectively. The cost and accumulated depreciation of the use of assets were as follows:

December 31, 2021

	Balance <u>1/1/21</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/21</u>
Land	\$ 127,000	\$ -	\$ -	\$ 127,000
Parking lot	35,400	-	-	35,400
Buildings	374,532	-	-	374,532
Building improvements	176,760	-	-	176,760
Vehicles	1,487,102	-	(44,507)	1,442,595
Equipment	592,479	-	-	592,479
Communication equipment	195,170	-	-	195,170
Furniture and fixtures	20,899	-	-	20,899
	<u>3,009,342</u>	-	(44,507)	2,964,835
Accumulated Depreciation	<u>(1,844,291)</u>	<u>(155,353)</u>	<u>44,507</u>	<u>(1,955,137)</u>
Use of assets, net	<u>\$1,165,051</u>	<u>\$ (155,353)</u>	<u>\$ -</u>	<u>\$ 1,009,698</u>

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

5. USE OF ASSETS: (Continued)

December 31, 2020

	Balance			Balance
	<u>1/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/20</u>
Land	127,000	\$ -	\$ -	127,000
Parking lot	35,400	-	-	35,400
Buildings	374,532	-	-	374,532
Building improvements	176,760	-	-	176,760
Vehicles	1,487,102	-	-	1,487,102
Equipment	592,479	-	-	592,479
Communication equipment	195,170	-	-	195,170
Furniture and fixtures	20,899	-	-	20,899
	<u>3,009,342</u>	<u>-</u>	<u>-</u>	<u>3,009,342</u>
Accumulated Depreciation	<u>(1,668,608)</u>	<u>(175,683)</u>	<u>-</u>	<u>(1,844,291)</u>
Use of assets, net	<u>\$1,340,734</u>	<u>\$ (175,683)</u>	<u>\$ -</u>	<u>\$ 1,165,051</u>

6. CAPITAL LEASE OBLIGATIONS:

On November 30, 2015, the Company signed financing lease-purchase agreements for two 2015 GMC Sierras. The lease obligations were amortized requiring six annual payments of \$8,367 and \$8,389 due January 14<sup>th</sup> of each year and included an interest charge of 4.70% per annum for each lease agreement.

The total cost of the leased vehicles financed by capital leases was \$100,538 and accumulated depreciation recorded for the vehicles financed by capital leases was \$100,538 at December 31, 2021 and 2020. Depreciation expense reported in the Statement of Activities included \$0- and \$16,756 for the vehicles under capital leases for the years ended December 31, 2021 and 2020, respectively.

During the year ended December 31, 2020, the Company paid the remaining balance and interest owed on the leases.

7. EMPLOYEE BENEFIT PLAN:

The Company has a 401(k) retirement plan for all eligible employees. Eligible employees must contribute up to 2% of their gross salary to be eligible for employer matching contributions. The Company may make a discretionary matching contribution equal to a percentage of salary deferrals. In addition, the Company is allowed to make a discretionary profit-sharing contribution for its eligible employees. The Company made an employer matching contribution up to 4% for all eligible employees during 2021 and 2020. During the years ended December 31, 2021 and 2020, the Company contributed a total of \$49,618 and \$42,292, respectively, to the plan.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

8. NOTE PAYABLE:

During the year ended December 31, 2013, the Company signed a governmental contract obligation with Republic First National Corporation to finance the purchase of a fire truck. The obligation is payable in 10 annual installments of \$45,757 each due on August 1<sup>st</sup> of each year and include an interest charge of 3.63% per annum. The obligation matures on August 1, 2022 and is secured by a Ferrara Custom Pumper. During the year ended December 31, 2020, the Company paid off the remaining balance owed on the loan for a total of \$127,881.

Interest expense on the loan was \$394 and \$6,236 for the years ended December 31, 2021 and 2020, respectively.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the fire company's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

	<u>2021</u>	<u>2020</u>
Financial assets, at year end:		
Cash	<u>\$1,310,371</u>	<u>\$1,486,102</u>
Total financial assets at year end	<u>1,310,371</u>	<u>1,486,102</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,310,371</u>	<u>\$1,486,102</u>

10. EXPENSES PAID BY OTHERS:

The full-time firefighters of the Company receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. The amount of pay received varies based on years of service. As these supplemental state funds are paid directly to the firefighters, and do not pass through the Company, they are not included in these financial statements.

11. DATE OF MANAGEMENT'S REVIEW:

Subsequent events have been evaluated by management through June 17, 2022, which is the date that the financial statements were available to be issued.

12. RECLASSIFICATION:

The 2020 financial statements have been reclassified to conform to the 2021 presentation. Net assets are unchanged as a result of these reclassifications.

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
DECEMBER 31, 2021

Agency Head Name: David Ducombs, Fire Chief (Volunteer)

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	<u>-</u>
Total	<u>\$ -</u>



# Duplantier Hrapmann Hogan & Maher, LLP

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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*

June 17, 2022

To the Board of Directors  
Marrero-Ragusa Volunteer Fire  
Company No. 3  
Marrero, 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 Marrero-Ragusa Volunteer Fire Company No. 3 (a Louisiana nonprofit organization), which comprise the statement of financial position as December 31, 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, and have issued our report thereon dated June 17, 2022.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marrero-Ragusa Volunteer Fire Company No. 3's (the Company) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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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 may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Marrero-Ragusa Volunteer Fire Company No. 3's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 Company'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 Company'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.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY, NO. 3  
SCHEDULE OF CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Marrero-Ragusa Volunteer Fire Company No. 3 for the year ended December 31, 2021 was unmodified.
2. Internal Control  
Material weaknesses: None noted  
Significant deficiencies: None noted
3. Compliance and Other Matters  
Noncompliance material to financial statements: None noted

FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

None noted

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY, NO. 3  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

STATUS OF PRIOR YEAR FINDING:

None noted

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JANUARY 1, 2021  
THROUGH DECEMBER 31, 2021

MARRERO-RAGUSA VOLUNTEER FIRE COMPANY NO. 3

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# Duplantier Hrapmann Hogan & Maher, LLP

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE FISCAL YEAR JANUARY 1, 2021 THROUGH DECEMBER 31, 2021

June 17, 2022

Board of Directors  
Marrero-Ragusa Volunteer Fire Company No. 3

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2021 through December 31, 2021. Marrero-Ragusa Volunteer Fire Company No. 3's (the Company) management is responsible for those C/C areas identified in the SAUPs.

Marrero-Ragusa Volunteer Fire Company No. 3 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 01, 2021 through December 31, 2021. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - i) ***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.
  - j) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- The Company does not have written policies and procedures for Budgeting, Purchasing, Disbursements, Receipts/Collections, Payroll/Personnel and Information Technology Disaster Recovery/Business Continuity.
- The Company's Sexual Harassment policy does not include provisions for annual employee training.

**Response:** Management will work with the Board of Directors to create and adopt the policies noted above and will add provisions regarding employee training to the sexual harassment policy.

### ***Board or Finance Committee***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - 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.

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- Five of the board meeting minutes examined did not have a discussion of financial activity included.

**Response:** Board members are provided financial information prior to monthly meetings. Management will make sure to include discussion of those financial matters during the meetings.

***Bank Reconciliations***

---

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - 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:** As a result of applying the above agreed-upon procedures, we noted the following:

- Bank reconciliations do not have evidence showing that the reconciliation was reviewed.

**Response:** Bank reconciliations are prepared by an outside accountant and provided to management for review each month. Management will implement a procedure to sign off on bank reconciliations once reviewed.

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

---

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

**Results:** No findings noted as a result of applying the procedures above.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- There is no policy or procedure to address the segregation of duties involving cash collections.

**Response:** The Company receives very little cash with a majority of receipts being ACH transfers or an occasional check. Checks are deposited by the administrative assistant and bank accounts are reconciled and posted to the general ledger by an outside accountant.

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

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- The Company could not provide a copy of the policy covering all employees who have access to cash.

**Response:** The Company has a liability policy that covers employee theft, but the actual policy could not be located. The administrator will make sure to retain a copy of all insurance policies for our records.

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

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- Sequentially pre-numbered receipts are not used for collections.
- A deposit slip could not be provided for one deposit tested.

**Response:** Pre-numbered receipts are not considered necessary due to the nature of the receipts by the Company. Deposit slips will be filed with deposit support to ensure better records keeping.

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

---

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

**Results:** No findings noted as a result of applying the procedures above.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** No findings noted as a result of applying the procedures above.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** No findings noted as a result of applying the procedures above.

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

---

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

**Results:** No findings noted as a result of applying the procedures above.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [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:** As a result of applying the above agreed-upon procedures, we noted the following:

- We noted no evidence on credit statements that they were reviewed and approved prior to being paid.
- We noted one statement tested included a finance charge.

**Response:** Management will implement a policy for reviewing credit card statements by someone other than the cardholders prior to being paid. Credit cards will be paid timely to prevent incurring finance charges.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt

that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- We noted three transactions tested did not have an original receipt identifying the purpose of the charge.
- We noted one transaction for a meal did not include documentation of the individuals participating in the meal.

**Response:** Management will improve credit card procedures to ensure original receipts are included with statements each month and will make sure to include the list of individuals participating in meals purchased on the card.

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

---

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

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

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- The Company did not provide support for the expense reimbursements tested.

**Response:** The Company does not have many reimbursements in most years. Management will implement procedures for maintaining support for all future reimbursements.

### ***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** As a result of applying the above agreed-upon procedures, we noted the following:

- We noted that the above procedures could not be performed due to the Company not providing contracts.

**Response:** Management will implement procedures to ensure that all contracts entered into by the Company will be maintained and kept in a file in the administrative office.

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

---

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

**Results:** No findings noted as a result of applying the procedures above.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** No findings noted as a result of applying the procedures above.

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

**Results:** No findings noted as a result of applying the procedures above.

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

**Results:** No findings noted as a result of applying the procedures above.

### ***Fraud Notice***

---

20. 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:** No findings noted as a result of applying the procedures above.

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

**Results:** No findings noted as a result of applying the procedures above.

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

---

22. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- 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 above agreed-upon procedure and discussed the results with management of Marrero Ragusa Volunteer Fire Company No. 3.

We were engaged by Marrero-Ragusa Volunteer Fire Company No. 3 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 Marrero-Ragusa Volunteer Fire Company No. 3 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results 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 Louisiana Legislative Auditor as a public document.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana

