



Cicero Volunteer Fire Department

Financial Activities

2025M-138 | April 2026

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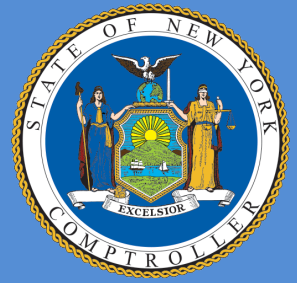
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Audit Results



Cicero Volunteer Fire Department

Audit Objective	Audit Period
Did Cicero Volunteer Fire Department (Department) officials ensure that financial activities were properly recorded and reported and funds were safeguarded?	January 1, 2024 – July 21, 2025
Understanding the Audit Area	
<p>A fire department treasurer should maintain complete, accurate and current accounting records and reports to comply with legal requirements and help a fire department's board and officials make informed decisions and effectively monitor the department's financial activities. A fire department's board should provide adequate oversight of the financial operations to ensure that public funds are managed with accountability, transparency and integrity. This critical function can help maintain public trust, ensure legal compliance and prevent mismanagement, waste and fraud.</p> <p>For the 2024 fiscal year, the Department's disbursements totaled about \$339,000 and deposits totaled about \$378,000.</p>	

Audit Summary

Department officials did not ensure that the Department's financial activities were properly recorded and reported and that funds were safeguarded. As a result, the Department Executive Board (Board) and volunteer members (membership) could not effectively monitor the budget, provide adequate oversight of the Department's financial activities and make informed financial decisions. In addition, because the Department did not have effective controls over cash disbursements and collections, it has an increased risk that Department officials may pay for improper expenses and that all collections might not be deposited and recorded.

The Department Treasurer (Treasurer) did not:

- Maintain accurate, complete and up-to-date financial records or provide the Board and membership with adequate financial reports. We identified significant errors and unrecorded transactions in the accounting records. For example, the Treasurer recorded \$216,088 that was received for a building lease payment twice, which overstated the Department's cash and revenue in its accounting records. As a result, the Board and membership could not effectively monitor the Department's financial activities.

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- Prepare accurate bank reconciliations in a timely manner. Completed reconciliations contained invalid reconciling items and, as of March 2025, the Treasurer was 11 months behind in completing the bank reconciliations. Accurate and timely reconciliations are needed to ensure that Department funds are properly accounted for and safeguarded.
 - Prepare and submit the annual report for Foreign Fire Insurance (FFI) tax proceeds to the Board and membership, and to the Office of the State Comptroller (OSC), as required by New York State (NYS) General Municipal Law (GML) Section 30-a. The Department received \$46,565 in FFI tax proceeds during 2024. These annual reports provide additional transparency on the Department's use of FFI tax proceeds.
 - Issue customer receipts for all collections, unless requested, and did not deposit all collections in a timely manner. Using press-numbered duplicate receipts and making timely deposits help establish accountability and transparency, and reduce the risk of funds being misappropriated, by safeguarding funds, providing proof of payment for transactions, helping ensure that collections were deposited intact (in the same form as they were received, such as cash or check) and maintaining organized records for accounting and audit purposes.

In addition, the Board did not:

- Prepare and present to the membership an annual director's report, as required by NYS Not-for-Profit Corporation Law (NFP Law) Section 519. This report provides additional transparency for the Department's financial activities and helps the membership make informed financial decisions.
- Ensure that the Treasurer provided the Department's financial records to the Department audit committee (audit committee) on a quarterly basis and that the audit committee conducted timely audits as required by the Department's bylaws. The audit committee serves an important oversight function because the Treasurer performed most of the Department's financial duties, including receiving cash, writing checks and maintaining the Department's accounting records, without any oversight of her work.
- Ensure that all disbursements had adequate support, such as an itemized receipt or invoice that described the goods and services purchased, or review and approve all disbursements before payment. Sixty-one disbursements totaling \$33,182 were not approved before they were paid, and 20 disbursements totaling \$237,152 were not adequately supported. When the Treasurer pays bills that have not been reviewed and/or approved before payment, and disbursements are not supported by adequate invoices or other documentation, the Department has an increased risk that disbursements may not be for valid Department purposes.

The report includes 15 recommendations that, if implemented, will improve controls over the Department's financial activities. Department officials generally agreed with our findings and indicated they plan to initiate corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. We encourage the Board to prepare a written corrective action plan (CAP) that addresses the recommendations in this report and forward it to our office within 90 days. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review.

Financial Activities: Findings and Recommendations

A fire department board is responsible for overseeing the fire department's financial activities to safeguard its resources. A fire department treasurer should maintain accurate and up-to-date financial records and prepare monthly bank reconciliations to help identify and correct errors in the records. To manage and oversee the fire department's financial operations, the fire department board should periodically review financial reports that detail collection and disbursement activities, account balances and budget-to-actual comparisons of revenues and expenses.

Also, the fire department board is responsible for safeguarding the fire department's cash resources. To avoid the misuse of fire department funds, the fire department board should ensure that disbursements have adequate supporting documentation, are for appropriate purposes and approved before the disbursements are made. Cash collections should be recorded immediately by use of a cash register, data entry into a computing system, press-numbered duplicate receipt book or handwritten log. Additionally, collections should be deposited as soon as possible.

When it is not practical to segregate financial duties, someone independent from the cash function should be designated to review accounting records, bank statements, check images and financial reports. The Department's bylaws require an audit committee to audit the Treasurer's records and reports on a quarterly basis.

More details on the criteria used in this report, as well as resources we make available to officials to improve operations (Figure 1), are included in Appendix A.

Finding 1 – The Board and Treasurer did not ensure that financial records were properly maintained and financial activities were properly reported.

The Treasurer did not maintain accurate, reliable and up-to-date financial records. Also, the Board did not require the Treasurer to provide written financial reports to the Board and membership. We reviewed the Department's general ledger,¹ balance sheets, a sample of bank transfers and cash collections and disbursements² and identified significant errors and unrecorded transactions in the accounting records, which included:

- The Treasurer recorded \$216,088 that was received for a building lease payment twice, which overstated the Department's cash and revenue in its accounting records.
- As of January 22, 2025, the Treasurer did not record 37 bank transfers between Department bank accounts totaling \$103,265 that occurred between June 2024 and December 2024. As a result, individual cash account balances were not accurate in the accounting records.

1 From January 1, 2024 through January 22, 2025.

2 Refer to Appendix C for information on our sample selection.

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- The Treasurer improperly recorded \$46,565 of FFI tax proceeds by simultaneously increasing and decreasing the cash account instead of recording revenue in the revenue account. Consequently, the cash and revenue accounts were both understated.
 - The Treasurer did not record 10 disbursements totaling \$3,875 in the financial records. These purchases included three laptops and raffle prizes, such as a pizza oven and an outdoor cooking grill.
 - The Treasurer did not record \$3,740 (13 percent) of the 2024 online raffle sales totaling \$27,960 in the financial records. As a result, the cash and revenue accounts were understated.
 - The Department's general ledger and balance sheet included three erroneous cash accounts that were invalid because they were not supported by actual cash on hand or in the bank. Additionally, these cash accounts had a combined negative balance of \$1,140. Cash assets should not be negative.

Department officials should have identified these errors and resolved the unrecorded transactions as part of a monthly bank reconciliation process. However, because the Treasurer did not prepare accurate bank reconciliations in a timely manner, officials did not have the information needed to discover and correct the discrepancies.

We reviewed the most recently completed bank reconciliations (as of March 2025) for all 12 Department bank accounts and determined that the Treasurer was nearly 11 months behind in completing the reconciliations. For example, the Treasurer's last reconciliation occurred in March 2024 for the main checking account and in May 2024 for the savings account. Although these reconciliations showed that the adjusted bank balances matched the financial records, we identified differences totaling \$15,898 that occurred due to invalid reconciling items. All seven of the deposits in transit totaling \$21,343 and most (15 of 21) of the outstanding checks totaling \$5,445 listed on the bank reconciliations were not truly outstanding items. These discrepancies occurred primarily because the Treasurer incorrectly entered transactions in the accounting system twice.

Because the Treasurer did not maintain accurate, up-to-date accounting records and perform bank reconciliations in a timely manner, the Treasurer could not generate accurate, reliable monthly financial reports from the accounting system. The Treasurer did not provide the Board with written monthly financial reports showing reconciled cash balances and budget-versus-actual results for revenues and expenses. Instead, the Treasurer used a spreadsheet to manually prepare monthly reports that contained cash balances, bills paid or to be paid, revenues and bank transfers. The Treasurer presented this spreadsheet information on a screen at the Department's regular meetings but did not distribute these reports to the Board and membership for review.

The reported cash balances did not align with collections and disbursements on the Treasurer's monthly reports because the Treasurer included bank balances obtained on the day that she prepared the report, instead of using reconciled month-end adjusted bank balances. Consequently, the monthly reports did not clearly reflect the Department's actual monthly cash flow where the reported beginning cash balance, plus revenues and minus paid expenses, would equal the ending cash. For example, the December 2024 report showed November 2024 activity including \$1,497 of revenues collected and

\$6,384 of expenses paid (a \$4,887 reduction to cash), but ending cash decreased by \$10,840. When monthly reports are inaccurate, the Board and membership do not have reliable information needed to make informed financial decisions.

Finally, the Board did not provide the annual directors' report to the membership at the annual meeting, as required by NFP Law Section 519. Additionally, the Board did not ensure that the Treasurer prepared and submitted the required annual report for FFI tax proceeds with OSC and shared it with the membership. During 2024, the Department received \$46,565 for FFI tax proceeds. The Treasurer told us that she was unaware of these reporting requirements. These reports provide additional transparency for the Department's financial activities and the use of FFI tax proceeds to the Board, membership and public.

Because the Treasurer did not provide adequate financial reports, the Board and membership did not have the information needed to monitor the budget, provide effective oversight of the Department's financial activities and make informed financial decisions.

Recommendations

The Board should:

1. Require the Treasurer to maintain accurate, complete and up-to-date financial records; provide written financial reports to the Board; and make the reports available to the members.
2. Provide the membership with an annual directors' report, as required by NFP Law Section 519.
3. Consider requiring the Treasurer to attend applicable training sessions to obtain a better understanding of their duties. Training provided by OSC can be found at: www.osc.state.ny.us/localgov/academy/index.htm.

The Treasurer should:

4. Bring the financial records up to date and maintain timely, complete and accurate financial records.
5. Prepare accurate, timely monthly bank reconciliations for all Department bank accounts and investigate and resolve any differences.
6. Prepare accurate monthly financial reports that include funds received and disbursed, reconciled cash balances and budget-to-actual results.
7. Prepare and submit the annual report for FFI tax proceeds to OSC, as required by GML Section 30-a, and share it with the Board and membership.

Finding 2 – The Board did not enforce the Department’s bylaws by requiring quarterly audits of the Treasurer’s financial records.

The Board did not require the Treasurer to provide financial records to the audit committee so that it could perform quarterly audits as required by the Department’s bylaws. For example, in December 2024, the audit committee completed an audit of the Treasurer’s 2022 financial records. However, as of July 21, 2025, it did not complete any audits of the Treasurer’s 2023, 2024 or 2025 financial records.

According to the bylaws, the quarterly audits are intended to ensure the following:

- Payments are authorized and proper
- Voided, canceled and outstanding checks are accounted for
- Department funds are not used for private purchases
- Financial reports identify all payments and income
- Bank statements properly reconcile with the financial records.

If quarterly audits occurred, it would help the Board provide effective oversight of the Treasurer’s work. This is particularly important because the Treasurer performed most of the Department’s financial duties, including receiving cash, writing checks and maintaining the financial records.

The audit committee chairperson (chairperson) told us that it took the Treasurer six months to provide the 2022 records and reports when the audit committee requested them. Also, the Treasurer did not provide the audit committee with copies of canceled check images.³

The chairperson told us that the audit committee did not conduct the quarterly audits because the Treasurer did not provide the records for audit, and because the audit committee experienced turnover of its members. Internal audits help provide verification that transactions are properly recorded and funds are accounted for properly. Had the audit committee completed the audits as required, it could have found the deficiencies that we identified during our audit, and officials could have addressed them sooner.

Recommendations

The Board should:

8. Ensure that the Treasurer provides the Department’s records to the audit committee and ensure that the audit committee performs the required quarterly audits of the Treasurer’s records.

³ We obtained copies of canceled check images from the bank that cleared the bank account during the audit.

The audit committee should:

9. Perform quarterly audits of the Treasurer's records in compliance with the bylaws.

The Treasurer should:

10. Request the Department's bank to provide canceled check images with the monthly bank statements.
11. Provide the Department's financial records and supporting documents, including bank reconciliations, bank statements and canceled check images, to the audit committee in a timely manner for quarterly audits.

Finding 3 – Officials did not ensure that disbursements were adequately supported, reviewed and approved before they were paid.

The Department's bylaws require the Treasurer to make disbursements "upon order of the President or other duly authorized official, or as approved by the membership." However, the bylaws do not specify who is a duly authorized official, and the bylaws do not require the Board or membership to review supporting documentation before approving the disbursements.

The membership's approval to pay bills was documented in the meeting minutes. However, no one other than the Treasurer reviewed the supporting documentation, such as invoices or receipts, before the membership approved the disbursements.

We reviewed 87 disbursements totaling \$286,121⁴ to determine whether they were adequately supported, for a valid Department purpose and approved before payment. While the disbursements were generally for Department purposes, we determined that 64 disbursements totaling \$249,949 had one or more discrepancies, which included:

- 61 disbursements totaling \$33,182 were not approved by the membership until after the payments were made. Fifty-two of these disbursements totaling \$16,539 were debit card purchases. Unlike using a credit card, where a statement is received and the purchase can be examined before payment is made, using a debit card allows a payment to be directly withdrawn from the Department's bank account at the time of purchase. Therefore, the Board or membership cannot review and approve the related disbursements before they are paid.
- 20 disbursements totaling \$237,152 were not adequately supported because there was no supporting documentation available or the documentation provided was insufficiently itemized. For example, a \$216,088 mortgage payment did not have any supporting documentation. Also, a

⁴ See supra, note 2.

\$1,950 payment for three laptops did not include an itemized receipt or invoice that described the equipment purchased. In addition, a \$675 restaurant bill showed the total amount paid, but did not provide a description of the food and beverages purchased, a list of attendees, or the event at which they were served. Without adequate and sufficiently itemized supporting documentation, the Board and membership cannot verify that purchases and amounts paid are appropriate.

When the Treasurer pays bills that have not been reviewed and/or approved before payment, and disbursements are not supported by adequate invoices or other documentation, the Department has an increased risk that disbursements may not be for valid Department purposes.

Recommendations

The Board should:

12. Review and update the bylaws to provide clear guidance for reviewing and approving disbursements, including defining who is responsible for reviewing and approving bills, requiring bills to be reviewed and approved before payment and requiring adequate supporting documentation (e.g., original itemized invoices and receipts).
13. Consider discontinuing using the Department's debit card and obtain a credit card instead.

The Treasurer should:

14. Ensure that all disbursements are adequately supported and approved before making payment.

Finding 4 – The Treasurer did not always issue receipts for cash collections and did not always make deposits in a timely manner.

The Treasurer collected money for various purposes such as building lease payments, FFI tax proceeds, donations, fundraisers and hall rentals. She provided customer receipts on occasion when requested. However, she did not issue press-numbered duplicate receipts for all collections or immediately record all transactions to establish accountability. As a result, Department officials cannot ensure that all collections were accounted for. We reviewed collections totaling \$86,806⁵ to determine whether receipts were issued, and cash and checks were deposited intact and in a timely manner,⁶ and identified the following exceptions:

5 Ibid.

6 Good business practices dictate that all money received should be deposited as soon as possible. For our audit, we considered collections deposited within 10 days to be deposited in a timely manner.

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- The Treasurer reported donations in her monthly spreadsheets, but did not keep detailed records of who made donations or the dates that the donations were received. We traced five donation collections totaling \$26,324 from the monthly spreadsheets to the bank statements and determined that the funds were deposited. However, because the Treasurer did not issue press-numbered duplicate receipts or maintain other adequate documentation of the collections, we could not determine whether she made these deposits in a timely manner. Press-numbered duplicate receipts help establish accountability and transparency, and reduce the risk of funds being misappropriated, by providing proof of payment for transactions, helping ensure that collections were deposited intact and maintaining organized records for accounting and audit purposes.
 - The Treasurer recorded 32 cash or check collections for raffle ticket sales totaling \$920. We determined that 26 collections totaling \$780 (64 percent) were not deposited in a timely manner. The Treasurer made these deposits between 11 and 176 days after the transaction date (an average of 29 days).
 - We traced 21 hall rental collections totaling \$7,050 to bank deposits and determined that five collections totaling \$1,100 were deposited an average of 18 days late.

The Treasurer told us that she could not always make it to the bank to make timely deposits and that she thought her receipting procedures were sufficient. However, inadequate supporting documentation and delayed deposits increase the risk that money could be lost or misused. Without sufficient documentation to support cash collections, officials cannot ensure that all cash collected was deposited and recorded.

Recommendations

The Treasurer should:

15. Issue press-numbered duplicate receipts, or maintain other supporting documentation, for all Department revenues and make deposits in a timely manner.

Appendix A: Profile, Criteria and Resources

Profile

The Department is a not-for-profit organization that operates in affiliation with the Cicero Fire District. The Department provides fire protection and emergency services within the Town of Cicero in Onondaga County.

The Department is governed by its bylaws and has approximately 80 volunteer members. The bylaws indicate that the membership is responsible for managing the Department and electing a six-member Board, which includes a President, Vice President, Secretary, Treasurer, Assistant Secretary and Assistant Treasurer.

The President supervises the Department's nonoperational activities, and the Treasurer maintains the Department's funds and financial records. The Department's audit committee consists of three individuals who are appointed by the President and do not have check-signing authority. The audit committee is responsible for conducting quarterly audits of the Treasurer's records.

Criteria – Financial Activities

A fire department board should ensure that the fire department treasurer maintains complete, accurate and up-to-date records to properly account for all financial activities. Also, the fire department board should ensure that the fire department treasurer provides the board and membership with periodic financial reports (e.g., balance sheets, profit and loss statements and budget status reports). The reports should show all collections and disbursements for each month and include reconciled cash balances for all bank accounts. Reconciling bank account balances with the financial records allows fire department officials to determine whether all collections and disbursements are captured and correctly recorded in a timely manner.

NFP Law Section 519 requires the fire department board to prepare and present an annual directors' report to the fire department membership each year showing the fire department's assets, liabilities, receipts and disbursements for the year and the number of members. For fire departments that receive and use FFI tax proceeds (commonly referred to as "2 percent tax money"), GML Section 30-a requires the fire department treasurer to file an annual report of FFI receipts, expenditures and balances with OSC. The fire department treasurer also should submit this report to the fire department membership each year to provide transparency regarding how the fire department uses its FFI tax proceeds.

In addition, the fire department board is responsible for safeguarding the fire department's cash resources. To avoid the misuse of fire department funds, the fire department board should ensure that disbursements are for appropriate purposes and should approve them before they are made. Disbursements should be supported by adequate documentation, such as itemized invoices or receipts, that detail the goods or services provided. The support provided should include sufficient information

to allow fire department officials to determine whether the purchases are for proper fire department purposes.

Fire departments should not use debit cards because the debit cards allow payments to be directly withdrawn from the fire department's bank account at the time of purchase. Therefore, unauthorized use may not be quickly detected. Also, when debit cards are used, the fire department board and membership do not have an opportunity to review and approve the related disbursements before they are paid.

To help ensure that collection records are complete and accurate, fire department officials should issue press-numbered duplicate receipts for all collections. Fire department officials should provide one copy of the receipt to the payee and retain one copy for audit purposes. Use of duplicate receipt forms establishes accountability and provides an audit trail for collections received when amounts collected cannot be confirmed by other records. Additionally, fire department officials should deposit collections as soon as possible and should deposit collections in the same amount and manner or form (cash or check) as they were received (intact). When collections remain undeposited, the fire department has a greater risk that loss or theft can occur.

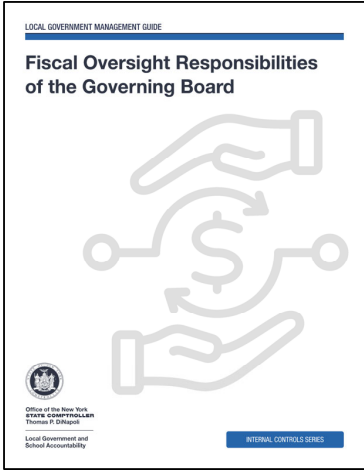
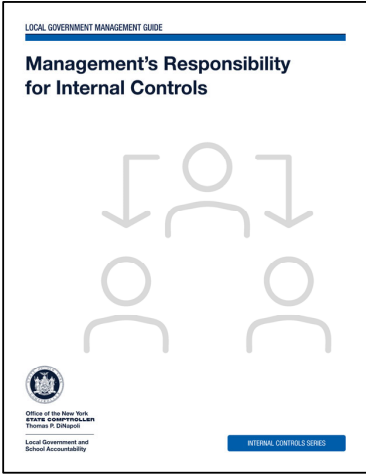
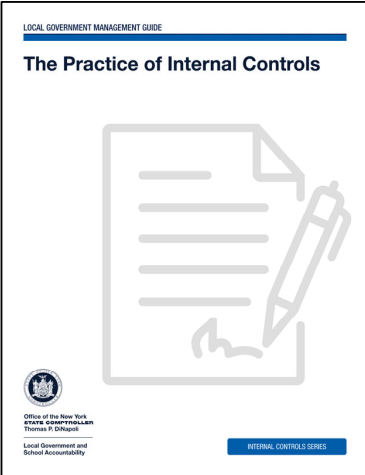
When it is not practical to segregate financial duties, fire department officials should designate someone who is independent from the cash function to review accounting records, bank statements, check images and financial reports on a regular basis. The Department's bylaws require the audit committee to perform quarterly audits of the financial records by ensuring that:

- Each payment was authorized and proper
- All voided checks and canceled payments were accounted for
- All outstanding checks are accounted for (using an outstanding check report)
- No sales tax was paid or reimbursed to any individual
- No Department funds are used for private purchases
- All financial reports identify each payment and all income
- All bank statements properly reconcile to the financial reports.

Internal audits provide an important internal control to help ensure that fraud or significant errors are not occurring and remaining undetected.

Additional Financial Activities Resources

Figure 1: OSC Publications

OSC's <i>Local Government Management Guides</i> are available on our website to help officials understand and perform their responsibilities.		
<i>Fiscal Oversight Responsibilities of the Governing Board</i>	<i>Management's Responsibility for Internal Controls</i>	<i>The Practice of Internal Controls</i>
		
https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/managements-responsibility-for-internal-controls.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From Department Officials



Cicero Volunteer Fire Department

8377 Brewerton Road
Cicero, NY 13039

Response to Draft Audit Report - Financial Activities

April 2, 2026

Chief of Municipal Audits
Office of the State Comptroller
Division of Local Government and School Accountability
110 State Street
12th Floor
Albany, NY 12236

To Whom It May Concern,

On behalf of the Cicero Fire Department Executive Board and its membership, we acknowledge receipt of the Draft Audit Report and appreciate the time and effort undertaken by your office in reviewing our financial operations.

We recognize the findings outlined in the report, including deficiencies related to financial recordkeeping, bank reconciliations, reporting, oversight, disbursement controls, audit compliance, and cash handling procedures. We take these matters seriously and fully understand the importance of maintaining strong internal controls, transparency, and accountability in all financial activities.

The Executive Board and membership acknowledge that existing processes and controls did not meet the expectations required under applicable laws, department bylaws, and accepted financial management practices. We further recognize that these deficiencies limited our ability to effectively monitor financial activity, safeguard department assets, and make informed financial decisions.

In response to these findings, the Cicero Fire Department is actively developing and implementing a comprehensive **Corrective Action Plan (CAP)**. This plan will address each recommendation outlined in the report and will be submitted within the required 90-day timeframe.

Key corrective measures currently completed, underway or being implemented include:

- **Financial Recordkeeping & Reporting:**

Implementation of standardized accounting procedures to ensure all transactions are accurately recorded, reconciled, and reported in a timely manner. Monthly written financial reports will be produced and distributed to both the Executive Board and membership.

- **Bank Reconciliations:**

All bank reconciliations are current as of March 31, 2026, with a policy being created requiring timely monthly reconciliations and independent review moving forward.

- **Oversight & Audit Compliance:**

Reestablishment of audit committee operations to ensure quarterly audits are conducted in accordance with department bylaws, with full access to financial records and supporting documentation.

- **Disbursement Controls:**

Adoption of stricter policies requiring prior approval of all expenditures, along with mandatory submission of itemized supporting documentation. The department has eliminated the previous debit cards as of March 11, 2026 and evaluating alternative controls consistent with best practices continuing our internal purchase order use.

- **Cash Collection Procedures:**

Implementation of formal receipting procedures utilizing press-numbered duplicate receipts which have been ordered for immediate use, along with policies requiring timely deposits and improved documentation of all collections.

- **Regulatory Reporting:**

The Executive Board is currently in contact with the Town of Cicero Comptroller's Office to verify they currently send the required yearly Foreign Fire Insurance (FFI) reporting form and that internally our annual director's report is completed at our January monthly business meeting to ensure compliance.

Additionally, the Department is committed to ensuring that individuals in financial roles receive appropriate training and guidance to support compliance with applicable statutes and best practices.

The Cicero Fire Department Executive Board and its members are fully committed to strengthening internal controls, improving financial transparency, and restoring confidence in the Department's financial management. We view this process not only as a corrective effort but as an opportunity to enhance our operational integrity moving forward.

We appreciate the guidance provided by your office and will continue to work diligently to ensure full compliance with all recommendations. Should you require any additional information or have any questions, please feel free to contact me at (315) 952-4631 or via email at president@cicerofd.org

On behalf of the Cicero Fire Department Executive Board and Membership

Respectfully submitted,

Jon Barrett
President

Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed Department officials and reviewed the Department's bylaws, the Board's meeting minutes and various financial records and reports to gain an understanding of the Department's procedures for maintaining and reviewing financial records, reporting financial activities and collecting and disbursing funds.
- We reviewed bank statement activity from January 1, 2024 through December 31, 2024 to quantify the Department's deposits and disbursements for the most recently completed fiscal year.
- We reviewed the Department's balance sheet and general ledger for unusual activity. We reviewed amounts included from January 1, 2024 through the date that the reports were obtained (January 22, 2025). We also reviewed the Treasurer's monthly spreadsheets for reasonableness.
- We reviewed the most recently completed bank reconciliations for the checking and savings bank accounts to determine whether the Treasurer prepared accurate bank reconciliations in a timely manner.
- We reviewed all 83 bank transfers and withdrawals totaling \$407,693, from the Department's primary bank accounts and connected accounts (online payment platform accounts) for the 2024 fiscal year, to determine whether they were appropriate. We also reviewed all 62 transfers in the primary bank accounts totaling \$380,754 to determine whether they were properly recorded in the Treasurer's financial records.
- From a total population of 249 disbursements totaling \$337,724 made during the 2024 fiscal year,⁷ we used our professional judgment to select a sample of 87 disbursements totaling \$286,121. We selected payments from the months of April, October and November 2024 because they had the highest disbursement activity. We used our professional judgment to also select an additional six disbursements that posed a higher risk of possibly being inappropriate Department expenses (e.g., payments to Board members and unrecognized vendor names). We reviewed the disbursements to determine whether they were approved before payment, adequately supported, for valid Department purposes and properly recorded in the financial records.
- During the 2024 fiscal year, the Department's deposits totaled approximately \$378,000. We reviewed 86 collections totaling \$86,806 to determine whether receipts were issued, deposits were intact and made in a timely manner, and transactions were properly recorded in the financial records. We interviewed officials and obtained available source documentation for online raffles, annual fund drive and other donations, memorial bricks sales, hall rentals, breakfast fundraisers and FFI tax proceeds. We traced from source documents (such as hall rental calendars, receipt

⁷ This population does not include \$1,123 of online payment platform fees paid by the Department.

tapes and rental agreements) to bank statements and deposit slips and the Department's accounting system records. When source documents were not available, we traced from the Treasurer's monthly spreadsheets. For FFI tax proceeds, hall rentals, breakfast fundraisers and memorial bricks sales we reviewed all 2024 collections. For the following collections, we tested on a sample basis:

- Donations – We used our professional judgment to select five annual fund drive donations totaling \$26,324 from the Treasurer's monthly reports. We chose these collections to have a variety in our sample by including some larger and smaller dollar amounts and collections from different sources and different months.
- Online raffles – We used our professional judgment to select 49 collections totaling \$1,230, which included all cash and check payments and one of each payment platform type for each raffle.
- We performed an analysis of 2024 online raffles to determine whether collections totaling \$27,960 were recorded in the accounting system.
- We interviewed members of the audit committee to gain an understanding of its internal audit procedures and to determine whether audits were performed in accordance with the Department's bylaws.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

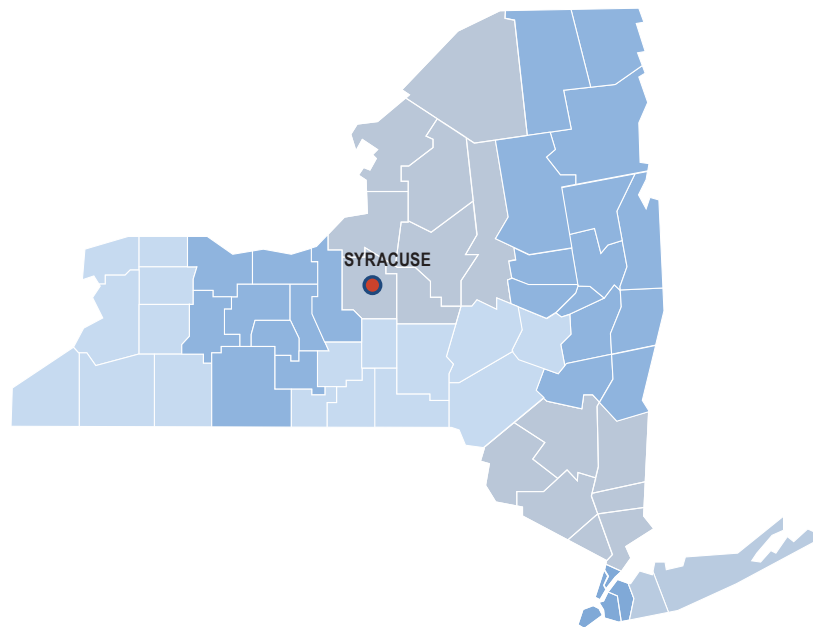
Contact

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