

Crystal Beach Fire Department

Fire Chief James E. Mason

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May 8, 2023

Mengel Metzger Barr & Co., LLP

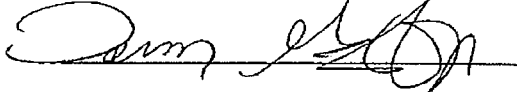
100 Chestnut Street, Suite 1200

Rochester, New York 14604

We are providing this letter in connection with your agreed-upon procedures performed over the financial transactions of the Crystal Beach Volunteer Fire Department, New York as of December 31, 2021, for the purpose of reporting your findings to the specified parties in regards to the subject matter.

We confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

- 1) We are responsible for the books and records of the Volunteer Fire Department.
- 2) We have provided you with all relevant information and access, as applicable, and agreed upon in the terms of the engagement.
- 3) All known matters contradicting the books and records of the Volunteer Fire Department and any communication from regulatory agencies or others affecting the books and records of the Town have been disclosed to you, including communications received between the end of the period addressed by the books and records of the Volunteer Fire Department and the date of our report.
- 4) We are not aware of any material misstatements in the books and records of the Volunteer Fire Department.
- 5) We have responded fully to all inquiries made to us by you during the engagement, including considerations of the impact of the COVID-19 outbreak.
- 6) We have disclosed to you all known events subsequent to December 31, 2021 and April 25, 2023 on the books and records of the town being reported on that would have a material effect on the books and records of the Town.



Tammy Griffin

**CRYSTAL BEACH
VOLUNTEER FIRE DEPARTMENT**

NEW YORK

AGREED – UPON PROCEDURES

For Year Ended December 31, 2021

**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

To the Board of Directors
Crystal Beach Volunteer Fire Department
New York

We have performed the procedures enumerated below on the financial transactions of the Crystal Beach Volunteer Fire Department, New York for the year ended December 31, 2021. The Fire Department's management is responsible for the financial transactions for the year ended December 31, 2021.

The Crystal Beach Volunteer Fire Department, New York has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the Board with evaluating the financial transactions for the year ended December 31, 2021. 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.

Our procedures and findings are as follows:

Procedure #1:

We inspected the Fire Department's internal accounting controls.

Findings #1 –

Policies

We noted that the Fire Department does not currently have the following policies:

- Fraud/Whistleblower Policy
- Investment Policy
- Procurement Policy
- Backup and Data Retention Policy
- Capitalization of Assets Policy

Procedure #2

We selected a sample of cash receipts and examined them for the following:

- a. Receipts were issued for all cash collected
- b. Cash collections were deposited to the bank in a timely manner
- c. Revenue coding appeared reasonable
- d. Amounts received were properly posted to the cash receipts journal

Findings #2 –

Based on the procedures performed, we noted that the Fire Department does not issue prenumbered receipts for deposits. In addition, the Fire Department does not retain bank validated deposit slips which resulted in one instance where we were unable to tie out the deposit to the bank statement.

Procedure #3:

We selected a sample of cash disbursements and examined them for the following:

- a. Purchase orders and claim forms were properly authorized
- b. There was a receiving signature
- c. The account code charged appeared reasonable
- d. Canceled check amounts and vendors agreed with the disbursement detail
- e. Disbursements were properly recorded in the cash disbursements journal
- f. There was sufficient supporting documentation for transactions

Findings #3 –

Based on the procedures performed, we noted the following:

- 13 of 14 disbursements examined did not have a receiving signature noting that the good or service had been received.
- One instance where the only supporting documentation available for review was the copy of the check.
- Two instances where the individual receiving the check was also one of the two signers on the check.
- The amount of the payment for Chief stipends, is not identified in the minutes.
- Two instances where the supporting documentation for the check does not agree with the amount reimbursed.
- Two instances where the Fire Department paid sales tax on purchases.

Procedure #4:

We performed a proof of cash and we selected the months of April, October and December and reviewed the monthly bank reconciliations for the following:

- a. The reconciling items were properly documented
- b. The adjusted bank balance agreed with the general ledger balance

Findings #4 –

Based on the procedures performed, we noted the following:

- There were multiple instances of outstanding items that were more than one year old.
- For the month of April, the bank reconciliation did not trace to the general ledger.
- In account ending in 1314 there appears to be a deposit for \$549.78 that was booked twice.
- There are several reconciling payments and deposits relating to transfers of \$4,000 between accounts that should be reviewed for proper disposition.

Procedure #5:

We inspected the Fire Department’s inventory records and selected a sample of assets for verification.

Findings #5

The Fire Department does not have a listing identifying the Fire Department owned assets for internal control and financial reporting purposes.

We were engaged by the Crystal Beach Volunteer Fire Department, New York to perform the agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards, established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on the financial transactions. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Crystal Beach Volunteer Fire Department, New York 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 for the information and use of the Crystal Beach Volunteer Fire Department, New York and is not intended to be and should not be used by anyone other than those specified parties.

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We wish to express our appreciation to all Fire Department personnel for the courtesies extended to us during the course of our examination.

Rochester, New York
_____, 2023