

**DAVID CROCKETT STEAM VOLUNTEER
FIRE COMPANY NUMBER ONE
OPERATIONS FUND**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
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INDEPENDENT AUDITOR'S REPORT

Camnetar & Co., CPAs

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
David Crockett Steam Volunteer Fire Company Number One

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the operations fund of David Crockett Steam Volunteer Fire Company Number One (a nonprofit organization), which comprise the statement of financial position as of 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.

In our opinion, the financial statements of the operations fund referred to above present fairly, in all material respects, the financial position of David Crockett Steam Volunteer Fire Company Number One as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. 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 David Crockett Steam Volunteer Fire Company Number One and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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 David Crockett Steam Volunteer Fire Company Number One'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to 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 the Organization'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 Organization'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 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 July 21, 2022, on our consideration of the David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting and compliance.

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Gretna, Louisiana

July 21, 2022

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 676,963
Accounts Receivable	103,657
Total Current Assets	780,620

PROPERTY AND EQUIPMENT

Land	48,500
Buildings and Improvements	842,284
Machinery and Equipment	1,884,657
Furniture and Fixtures	157,968
	2,933,409
Less: Accumulated Depreciation	(2,226,236)
Net Property and Equipment	707,173

TOTAL ASSETS	\$ 1,487,793
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LIABILITIES AND NET ASSETS

LIABILITIES

Accrued Liabilities	\$ 25,941
TOTAL LIABILITIES	25,941

NET ASSETS

Without donor restrictions	1,461,852
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TOTAL LIABILITIES AND NET ASSETS	\$ 1,487,793
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The accompanying notes are an integral part of these financial statements.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES

Intergovernmental revenue	
City of Gretna funding	\$ 1,861,455
State Supplemental Pay	71,742
Miscellaneous Income	
Insurance Proceeds	-
Workman's compensation dividend	57,085
Other miscellaneous income	18,890
Interest income	169
Total Revenues	<u>2,009,341</u>

EXPENSES

Administrative Costs	52,856
Firefighting Costs	<u>1,915,544</u>
Total Expenses	<u>1,968,400</u>

**INCREASE (DECREASE) IN NET ASSETS
WITHOUT DONOR RESTRICTION**

40,941

**NET ASSETS WITHOUT DONOR RESTRICTIONS-
BEGINNING OF YEAR**

1,420,911

**NET ASSETS WITHOUT DONOR RESTRICTIONS-
END OF YEAR**

\$ 1,461,852

The accompanying notes are an integral part of these financial statements.

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 40,941
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	111,551
(Increase) Decrease in operating assets	
Accounts receivable	(103,657)
Increase (Decrease) in operating liabilities	
Accrued Liabilities	1,381
Net Cash Provided By (Used In) Operating Activities	<u>50,216</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(67,938)
Net Cash Provided By (Used In) Investing Activities	<u>(67,938)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,722)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	694,685
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 676,963</u></u>

The accompanying notes are an integral part of these financial statements.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

EXPENSES	<u>Administrative</u>	<u>Firefighting</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ 7,958	\$ -	\$ -	\$ 7,958
Bank charges	-	-	-	-
Conference and travel	-	2,759	-	2,759
Depreciation	4,015	107,536	-	111,551
Dues and subscriptions	-	2,253	-	2,253
Equipment and gear	-	7,188	-	7,188
Fire prevention	-	11,458	-	11,458
Information and technology	-	4,624	-	4,624
Insurance	2,901	386,241	-	389,142
Legal expense	-	240	-	240
Medical	-	2,280	-	2,280
Office expense	4,956	6,686	-	11,642
Payroll processing expense	137	4,573	-	4,710
Payroll taxes	2,266	75,143	-	77,409
Pension plan	-	34,193	-	34,193
Postage	1,087	-	-	1,087
Repairs-stations and vehicles	-	175,655	-	175,655
Salaries and wages	29,536	1,012,725	-	1,042,261
Supplies	-	5,882	-	5,882
Telephone and utilities	-	61,741	-	61,741
Training	-	14,051	-	14,051
Uniforms	-	316	-	316
	<u>\$ 52,856</u>	<u>\$ 1,915,544</u>	<u>\$ -</u>	<u>\$ 1,968,400</u>

The accompanying notes are an integral part of these financial statements.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ACTIVITIES

David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) was established to provide firefighting within the City of Gretna, Louisiana. In addition, the Organization provides fire code inspections for businesses within the city, as well as fire and rescue training for its members. David Crockett Steam Volunteer Fire Company Number One received the vast majority of its financial support from the City of Gretna. The financial statements do not include the separate fund to account for the social activities of the company; it only includes the operations fund.

A summary of the David Crockett Steam Volunteer Fire Company Number One's Operations Fund significant accounting policies applied in the preparation of the accompanying financial statements follows.

BASIS OF ACCOUNTING AND PRESENTATION

The financial statements are prepared on the accrual basis. Under that basis, revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, information regarding financial position and activities is reported according to the following net assets: net assets without donor-restrictions and net assets with donor-restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the 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, David Crockett Steam Volunteer Fire Company Number One's operations fund had only net assets without donor-restrictions.

Revenue

Substantially all the fire department's revenue is derived from funds by the City of Gretna, to provide firefighting and rescue services to the designated area of the city of Gretna and is considered an exchange transaction within the scope of ASC Topic 606, *Revenue from Contracts with Customers*. The City pays the fire department monthly installments which represent the net proceeds of millage levied annually on the assessed valuation of property in the City of Gretna. The revenue is recognized as the services are performed monthly.

CASH AND CASH EQUIVALENTS

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

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

FUNCTIONAL EXPENSES

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

COMPENSATED ABSENCES

A liability has not been recorded for accumulated vacation or sick leave because it is non-vesting.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of automobiles, building improvements, fire and office equipment, and furniture and fixtures with a useful life greater than 1 year are capitalized and carried at cost or estimated historical cost if acquisition cost is not available. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.

DONATED SERVICES

The value of donated services is not reflected in the accompanying financial a statement since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's firefighting activities.

INCOME TAXES

The fire company is exempt from income taxes under Internal Revenue Code section 501(c) (4) as a nonprofit organization and thus these financial statements contain no provision for income taxes.

ACCOUNTING FOR UNCERTAIN TAX POSITIONS UNDER FASB ASC 740-10

Accounting standards provide detail guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Under accounting standards, an entity is required to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Management has evaluated its significant tax position against certain criteria established by these accounting standards and believes there are no such tax positions requiring accounting recognition. The Company's federal and state tax returns are subject to examination by taxing authorities for the years ended December 31, 2021, 2020, and 2019.

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

Cash paid during the year for:

Interest	\$ --
Taxes	\$ --

ON-BEHALF PAYMENTS

Supplemental pay which is paid directly to employees of the Fire Company by the State of Louisiana, Department of Public Safety, is recognized as revenue and salaries expense in the year in which paid. For the year ended December 31, 2021, the amount recognized as revenue and expenses was \$ 71,742.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled \$676,963 at December 31, 2021. These deposits are stated at cost

Custodial Credit Risk

Under state law, the deposits held at a fiscal agent bank (or resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. State law R.S. 39:1225 provides that the amount of security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority except of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

At December 31, 2021, the Fire Company operations fund bank account was \$713,772 (collected bank balances) in one financial institution. These deposits are secured from risk by \$250,000 of federal deposit insurance and through the Promontory Insured Cash sweep service. At December 31, 2021 the Company's deposits with the financial institution were entirely insured.

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Cash equivalents consist of the funds in Promontory Insured Cash Sweep accounts. Insures Cash Sweep (ICS) is a trusted, tested service utilized by financial institutions across the United States. Financial institutions that use ICS benefit from the Promontory Network advantage and the confidence of knowing that ICS is endorsed by the American Bankers Association and enjoys strategic marketing alliances with key trade associations across the United States. When a customer submits funds to a Promontory Network member (Gulf Coast Bank and Trust) for placements through ICS, that institution places the funds into deposit accounts at FDIC-insured banks that are also members of the ICS Network. This occurs in increments below the standard FDIC insurance maximum (\$250,000) so that both principal and interest are eligible for FDIC insurance. By working directly with just one institution (Gulf Coast Bank and Trust), the Fire Company is able to receive FDIC coverage from many financial institutions while only working with a single bank (Gulf Coast Bank and Trust). At December 31, 2021, the Fire Company's cash equivalent bank balances held in Promontory Insured Cash Sweep accounts were \$713,921.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in the Property, Plant and Equipment during the year ended December 31, 2021:

Asset Category	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Non Depreciable Assets				
Land	\$ 48,500	\$ -	\$ -	\$ 48,500
Non Depreciable, Total	48,500	-	-	48,500
Depreciable Assets				
Building & Improvements	842,284	-	-	842,284
Fire Fighting Equipment	1,825,239	59,418	-	1,884,657
Furniture & Fixtures	149,448	8,520	-	157,968
Accumulated Depreciation	(2,114,685)	(111,551)	-	(2,226,236)
Depreciable Assets, Net	702,286	(43,613)	-	658,673
Property, Plant and Equipment, Net	\$ 750,786	\$ (43,613)	\$ -	\$ 707,173

Depreciation expense for the year ended December 31, 2021 was \$111,551.

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 OPERATIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 4 - PENSION PLAN

The Company has a defined contribution plan covering substantially all of its employees. The name of the plan is David Crockett Fire Company Number One Profit Sharing Plan & Trust, which is administered by David Crockett Steam Volunteer Fire Company Number One. The plan was established under provisions of various sections of the Internal Revenue Code. The plan provides for discretionary contributions by the employer based on employees' salary and elective contributions by the employees. The plan was established effective October 1, 1999. The employer contributions for 2021 were \$34,193 and the employee contributions for 2021 were \$6,895.

NOTE 5 – FIRE FIGHTING EQUIPMENT LEASE

The David Crockett Steam Volunteer Fire Co. Number One is being provided with firefighting equipment by the City of Gretna under a lease for \$1 per year. The Company is responsible for maintenance and to maintain insurance on the equipment being leased. The equipment remains the property of the City of Gretna and therefore is not presented in Property, Plant and Equipment.

NOTE 6 – CONCENTRATION OF SUPPORT

Substantially all of the Organization's public support is derived from funds provided by the City of Gretna. The Organization has a contract with the City of Gretna under which the Organization revenues amounted to \$1,861,455. Management is not aware of any plans on the part of the City of Gretna to terminate this contract. The Organization has reported an account receivable of \$103,657 due from the City of Gretna as of December 31, 2021.

NOTE 7 – LIQUIDITY

The following reflects David Crockett Steam Volunteer Fire Co. Number One's financial assets as of the balance sheet date that are available to meet cash needs for general expenditures within one year:

Financial Assets at Year End:	<u>12/31/21</u>
Cash and Cash Equivalents	<u>\$676,963</u>
Total Financial Assets available to meet cash Basis for general expenditures within one year	<u>\$676,963</u>

NOTE 8 – DATE OF MANAGEMENT'S REVIEW

The Organization has evaluated subsequent events through July 21, 2022, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF COMPENSATION AND OTHER PAYMENTS TO AGENCY
HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2021**

Agency Head Name / Title: Mark Cambre, Jr., President

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

Notes to Schedule:

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

**COMPLIANCE AND
INTERNAL CONTROL SECTION**

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

To the Board of Directors of
David Crockett Steam Volunteer Fire Company Number One

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the David Crockett Steam Volunteer Fire Company Number One (a nonprofit organization), which comprise the statement of financial position as of 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 July 21, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered David Crockett Steam Volunteer Fire Company Number One's 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 21, 2022

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

We have audited the financial statements of the Operations Fund of the David Crockett Steam Volunteer Fire Company Number One as of and for the year ended December 31, 2021, and have issued our report thereon dated July 21, 2022. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2021, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Was a management letter issued? Yes No

The Fire Company was not subject to Single Audit under OMB's Uniform Guidance.

Section II Financial Statement Findings

A – Issues of Noncompliance

NONE

B – Significant Deficiencies

NONE

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF PRIOR YEAR FINDINGS
For The Year Ended December 31, 2021**

Section I - Financial Statement Findings

A – Issues of Noncompliance

NONE

B – Significant Deficiencies

NONE

Section II – Management Letter

NONE

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of David Crockett Steam Volunteer Fire Company Number One and the Louisiana Legislative Auditor:

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 period January 1, 2021 through December 31, 2021. The entity's management is responsible for those C/C areas identified in the SAUPs.

David Crockett Steam Volunteer Fire Company Number One has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (or report that the entity does not have any written policies and procedures), 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, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) continued disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Inquired of management as to written policies; the Fire Company has no written polices for the financial/business functions above.

Management's Response

The Fire Company will work with the Board of Directors and accountant to create and adopt these written policies.

Board (or Finance Committee, if applicable)

- 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.

No exceptions were found as a result of this procedure.

- 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.*

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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);

Bank reconciliations were prepared on a monthly basis by accounting firm but no initials are evident on the reconciliations.

Management's Response

The Fire Company will have preparer initial and date bank reconciliations going forward.

- 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

Bank reconciliations provided by accounting firm but no initials by management are evident of the reconciliations being reviewed.

Management's Response

The Fire Company will initial and date bank reconciliations going further.

- 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.

No exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

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: **For each cash collection location selected:**

- 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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

The Fire Company does not use sequentially pre-numbered receipts for collections.

Management's Response

The majority of the receipts are through electronic deposits/credits and as such, management feels there are not enough physical cash receipts to warrant issuance of pre-numbered receipts.

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).
- 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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.
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.]

No exceptions were found as a result of this procedure.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

Travel and Expense Reimbursement

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).
 - 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).

No exceptions were found as a result of this procedure.

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.

Per inquiry with management and through observation, it was determined that, the Fire Company did not enter into any contracts during the year as described above.

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.
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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

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.

No exceptions were found as a result of this procedure.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable.

Debt Service (excluding nonprofits)

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

Not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

Fraud

23. 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.

No exceptions were found as a result of this procedure.

24. 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.

No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. 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.

We performed the procedures above and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

Not applicable.

We were engaged by Live Oak Volunteer Fire Company, Inc. 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 Live Oak Volunteer Fire Company, Inc. 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 result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
July 21, 2022