

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

**YEAR ENDED DECEMBER 31, 2019**

*Camnetar & Co., CPAs*  
a professional accounting corporation

## TABLE OF CONTENTS

	<u>PAGE NO.</u>
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Statement of Functional Expenses.....	6
Notes to Financial Statements.....	7 - 11
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer.....	12
COMPLIANCE AND INTERNAL CONTROL SECTION	
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 <i>Government Auditing     Standards</i> .....	13 - 14
Schedule of Findings and Responses.....	15
Schedule of Prior Year Findings.....	16
Management's Corrective Action Plan.....	17

# *Camnetar & Co., CPAs*

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA  
Orfelinda G. Richard, CPA  
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the operations fund. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements of the operations fund, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements of the operations fund in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Other 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 June 30, 2020, 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 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.

*Camnetar & Co.*

Camnetar & Co., CPAs  
a professional accounting corporation

Gretna, Louisiana  
June 30, 2020

## **FINANCIAL STATEMENTS**

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE  
STATEMENT OF FINANCIAL POSITION  
OPERATIONS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**ASSETS**

CURRENT ASSETS

Cash and cash equivalents	\$	<u>579,466</u>
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Total current assets		579,466
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PROPERTY, PLANT AND EQUIPMENT, NET		767,262
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TOTAL ASSETS	\$	<u><u>1,346,728</u></u>
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**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Insurance payable	\$	<u>688</u>
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Total current liabilities		688
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NET ASSETS

Without donor restrictions		<u>1,346,040</u>
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Total net assets		<u>1,346,040</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,346,728</u></u>
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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  
OPERATIONS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

UNRESTRICTED NET ASSETS

REVENUE

City funding	\$	1,876,931
State supplemental pay		92,483
Miscellaneous		121,968
Grant		<u>-</u>
 Total revenue		 2,091,382

EXPENSES

Administrative		39,645
Firefighting		<u>1,854,765</u>
 Total expenses		 <u>1,894,410</u>

INCREASE IN NET ASSETS

196,972

NET ASSETS WITHOUT DONOR RESTRICTIONS -  
BEGINNING OF YEAR

1,149,068

NET ASSETS WITHOUT DONOR RESTRICTIONS -  
END OF YEAR

\$ 1,346,040

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

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE**  
**STATEMENT OF CASH FLOWS**  
**OPERATIONS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 196,972
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Depreciation	103,624
Decrease in insurance payable	<u>(3,619)</u>
Net cash provided by operating activities	296,977
CASH FLOWS FROM INVESTING ACTIVITIES	
Maturities of certificate of deposits	179,130
Purchases of property and equipment	<u>(144,735)</u>
Net cash used in investing activities	34,395
NET INCREASE IN CASH AND CASH EQUIVALENTS	331,372
CASH AND CASH EQUIVALENTS - beginning of year	<u>248,094</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 579,466</u>

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



**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**OPERATIONS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

EXPENSES	<u>Administrative</u>	<u>Firefighting</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ 8,475	\$ -	\$ -	\$ 8,475
Bank charges	268	-	-	268
Conference and travel	-	3,549	-	3,549
Depreciation	110	103,514	-	103,624
Dues and subscriptions	40	1,791	-	1,831
Equipment and gear	-	6,837	-	6,837
Fire prevention	-	5,321	-	5,321
Information and technology	-	4,690	-	4,690
Insurance	1,611	330,124	-	331,735
Legal expense	-	345	-	345
Medical	-	2,225	-	2,225
Office expense	4,670	7,368	-	12,038
Payroll processing expense	58	2,940	-	2,998
Payroll taxes	1,672	81,001	-	82,673
Pension plan	-	40,133	-	40,133
Postage	978	-	-	978
Repairs-stations and vehicles	-	98,609	-	98,609
Salaries and wages	21,763	1,098,830	-	1,120,593
Supplies	-	2,917	-	2,917
Telephone and utilities	-	48,886	-	48,886
Training	-	9,683	-	9,683
Uniforms	-	6,002	-	6,002
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>\$ 39,645</u>	<u>\$ 1,854,765</u>	<u>\$ -</u>	<u>\$ 1,894,410</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, 2019**

**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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets and a statement of cash flows is required. As of December 31, 2019, David Crockett Steam Volunteer Fire Company Number One's operations fund had only unrestricted net assets.

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.

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**OPERATIONS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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

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, 2019, 2018, and 2017.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less, including amounts whose use is limited by board designation.

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
OPERATIONS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**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, 2019, the amount recognized as revenue and expenses was \$ 92,483.

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**

At December 31, 2019, the carrying amount of the David Crockett Steam Volunteer Fire Company Number One operations fund bank account was \$579,466 of which all was in checking accounts. The following is a schedule of cash (book) balances:

	<u>Rate of Interest</u> <u>December 31, 2019</u>	<u>Reconciled Balance</u> <u>December 31, 2019</u>
Gulf Coast Bank		
Operations	1.20%	579,466
		\$ <u>579,466</u>

**Concentration of Credit Risk**

For the year ended December 31, 2019 cash balances were maintained at various financial institutions. The bank balances were \$610,806 of which was covered by federal depository insurance.

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**OPERATIONS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**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, 2019:

	Balance			Balance
	<u>January 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2019</u>
<u>Non Depreciable Assets</u>				
Land	\$ 48,500	\$ -	\$ -	\$ 48,500
Non Depreciable, Total	<u>48,500</u>	<u>-</u>	<u>-</u>	<u>48,500</u>
<u>Depreciable Assets</u>				
Buildings & Improvements	815,125	27,159	-	842,284
Fire Fighting Equipment	1,916,438	113,749	(94,286)	1,935,901
Furniture & Fixtures	145,735	3,839	-	149,574
Accumulated Depreciation	<u>(2,199,647)</u>	<u>(103,624)</u>	<u>94,274</u>	<u>(2,208,997)</u>
Depreciable Assets, Net	<u>677,651</u>	<u>41,123</u>	<u>(12)</u>	<u>718,762</u>
Property Plant, and Equipment, Net	<u>\$ 726,151</u>	<u>\$ 41,123</u>	<u>\$ (12)</u>	<u>\$ 767,262</u>

Depreciation expense for the year ended December 31, 2019 was \$103,624.

**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 2019 were \$38,053 and the employee contributions for 2019 were \$11,935.

**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.

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**OPERATIONS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**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 \$1,876,931. Management is not aware of any plans on the part of the City of Gretna to terminate this contract.

**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:

Cash and Cash Equivalents	\$ 248,094
Certificates of Deposit	<u>179,130</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$ 427,224</u>

**NOTE 8 – DATE OF MANAGEMENT’S REVIEW**

The Organization has evaluated subsequent events through June 30, 2020, 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, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**Year Ended December 31, 2019**

Agency Head Name: Mark Cambre Jr.

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits- Insurance	-
Benefits- Retirement	-
Benefits- other (phone allowance)	-
Travel and dues	-
Registration fees	175
Conference Travel	-
	<u>\$ 175</u>



**COMPLIANCE AND INTERNAL CONTROL SECTION**

# Camnetar & Co., CPAs

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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 operations fund financial statements of David Crockett Steam Volunteer Fire Company Number One (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements of the operations fund, and have issued our report thereon dated June 30, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the operational fund, we considered David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the operations fund financial statements, but not for the purpose of expressing an opinion on the effectiveness of the David Crockett Steam Volunteer Fire Company Number One'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 may exist that have not been identified.

**Compliance and Other Matters**

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

**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  
June 30, 2020

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 2019 and have issued our report thereon dated June 30, 2020. 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, 2019 resulted in an unmodified 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

**Section II Financial Statement Findings**

**A. Issues of Non Compliance**

NONE

**B. Significant Deficiencies**

NONE

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

NONE

**Section II Management Letter**

NONE

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE  
MANAGEMENT CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

NONE

**Section II Management Letter**

NONE

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## **INDEPENDENT ACCOUNTANT'S REPORT** **ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by the David Crockett Steam Volunteer Fire Company Number One (Fire Company) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations).
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

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

**Management's Response**

***The Fire Company will work toward developing written policies and procedures where needed to ensure a more effective and efficient handling of transactions.***



***Board or Finance Committee- Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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2. Obtain and inspect the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

***Bank Reconciliations - Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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3. Obtain a listing of client 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 selected each 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, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

***Collections (excluding EFTs) - Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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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).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are 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 verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
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 that 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).
  - e) Trace the actual deposit per the bank statement to the general ledger.

***Non-Payroll Disbursements – (excluding card purchases/payments, travel reimbursements, and petty cash purchases) Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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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.
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 that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

***Credit Cards/Debit Cards/Fuel Cards/P-Cards - Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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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 that 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) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
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 that 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).

***Travel and Expense Reimbursement - Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts - Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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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 that 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 that 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 that the original contract terms provided for such an amendment.
- 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 that the invoice and related payment agreed to the terms and conditions of the contract.

***Payroll and Personnel - Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/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/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

***Ethics - Not applicable***

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20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

***Debt Service - Not applicable***

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

***Other - Not applicable. This procedure rotated off this year due to no exceptions noted in the prior year.***

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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.
24. Observe that 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.

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, 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.

# *Camnetar & Co., CPAs*

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The purpose of this report is 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  
June 30, 2020