

**LIVE OAK MANOR VOLUNTEER  
FIRE COMPANY, INC.  
FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2019**

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

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a professional accounting corporation

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Live Oak Manor Volunteer Fire Company, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Live Oak Manor Volunteer Fire Company, Inc. (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 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 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, 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 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 referred to above present fairly, in all material respects, the financial position of Live Oak Manor Volunteer Fire Company, Inc. 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 September 30, 2020, on our consideration of the Live Oak Manor Volunteer Fire Company, Inc.'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 Live Oak Manor Volunteer Fire Company, Inc.'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 Live Oak Manor Volunteer Fire Company, Inc.'s internal control over financial reporting and compliance.

*Camnetar & Co.*

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana  
September 30, 2020

## **FINANCIAL STATEMENTS**

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

**ASSETS**

CURRENT ASSETS

Cash and cash equivalents \$ 972,204

Total current assets 972,204

PROPERTY, PLANT AND EQUIPMENT, (NET) 71,152

OTHER ASSETS

Other Investment-Cash value of Life Insurance 160,000

Total other assets 160,000

TOTAL ASSETS \$ 1,203,356

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Accrued liabilities \$ 4,094

Total current liabilities 4,094

NET ASSETS

Without donor restrictions 1,199,262

Total net assets 1,199,262

TOTAL LIABILITIES AND NET ASSETS \$ 1,203,356

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

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

NET ASSETS WITHOUT DONOR RESTRICTIONS

REVENUE

Jefferson Parish	\$	762,000
State insurance rebates		16,125
State supplemental pay		54,500
Miscellaneous		3,106
Interest		<u>853</u>

Total revenue		836,584
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EXPENSES

Administrative		25,690
Firefighting		<u>763,255</u>

Total expenses		<u>788,945</u>
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INCREASE IN NET ASSETS		47,639
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NET ASSETS WITHOUT DONOR RESTRICTIONS- BEGINNING OF YEAR		<u>1,151,623</u>
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NET ASSETS WITHOUT DONOR RESTRICTIONS- END OF YEAR	\$	<u><u>1,199,262</u></u>
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The accompanying notes are an integral part of these financial statements.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	\$ 47,639
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	17,845
Decrease in receivables	17,016
Increase in accrued liabilities	<u>90</u>
Net cash provided by operating activities	82,590
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases/dispositions of property and equipment	(9,520)
Purchases of investment-cash value of life insurance	<u>-</u>
Net cash used in investing activities	(9,520)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payment of note payable	<u>(18,832)</u>
Net cash used in financing activities	(18,832)
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,238
CASH AND CASH EQUIVALENTS - beginning of year	<u>917,966</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 972,204</u>

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



**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DESCRIPTION OF ACTIVITIES

Live Oak Manor Volunteer Fire Company, Inc. (a non-profit organization) was established to provide firefighting to a prescribed sector of the 7<sup>th</sup> Fire District, Parish of Jefferson. Live Oak Manor Volunteer Fire Company, Inc. received the vast majority of its financial support from the Parish of Jefferson.

A summary of the Live Oak Manor Volunteer Fire Company, Inc.'s 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, Live Oak Manor Volunteer Fire Company, Inc. had only unrestricted net assets.

FUNCTIONAL EXPENSES

The costs 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 nonvesting.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of 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. 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 statements since there are 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.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

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 a company’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.

INVESTMENTS

Investment-cash value life insurance is recorded at policy’s surrender value.

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

Cash paid during the year for:

Interest	\$ 935
Taxes	-

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.

ON-BEHALF PAYMENTS

Supplemental pay which is paid directly to employees of Live Oak Manor Volunteer Fire Company, Inc. by the State of Louisiana, Department of Public Safety, is recognized as revenue and salary expenses in the year in which paid. For the year ended December 31, 2019, the amount recognized as revenue and expenses was \$54,500.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Following is a schedule of cash balances in financial institutions for the year ended 12/31/2019:

	<u>Checking</u>	<u>Savings</u>	<u>Total Cash</u>	<u>Savings Rate of Interest</u>
Capital One Bank	\$512,989	\$ 177,711	\$690,700	0.04%
Chase Bank	20,079	261,426	281,505	0.02%
	<u>\$533,068</u>	<u>\$ 439,137</u>	<u>\$972,205</u>	

Concentrations of Credit Risk – For the year December 31, 2019 cash balances were maintained in several financial institutions located in New Orleans area. The bank balances were \$977,660 of which \$697,790 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$279,870 was uninsured.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
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 <u>January 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2019</u>
<u>Non Depreciable Assets</u>				
Land	\$ 2,700	\$ -	\$ -	\$ 2,700
Non Depreciable, Total	2,700	-	-	2,700
<u>Depreciable Assets</u>				
Fire Fighting Equipment	754,544	-	-	754,544
Building & Improvements	66,524	9,520	-	76,044
Furniture & Fixtures	66,455	-	-	66,455
Accumulated Depreciation	<u>(810,746)</u>	<u>(17,845)</u>	<u>-</u>	<u>(828,591)</u>
Depreciable Assets, Net	76,777	(8,325)	-	68,452
Net Property, Plant and Equipment	<u>\$ 79,477</u>	<u>\$ (8,325)</u>	<u>\$ -</u>	<u>\$ 71,152</u>

Depreciation expense for the year ended December 31, 2019 was \$17,845.

Property and equipment does not include fire trucks donated by the Fire Department to Jefferson Parish. The Fire Department receives subsidies from Jefferson Parish for the purchase of fire trucks, which the Fire Department donated back to the Parish.

**NOTE 4 – OTHER INVESTMENTS-CASH VALUE OF LIFE INSURANCE**

The Organization purchased a single premium deferred annuity contract that covers the life of a key officer of which the Organization is the beneficiary. This contract has a cash surrender value. The cash value of \$160,000 was reported to the Organization by the insurance carrier as of December 31, 2019.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 5 – LIQUIDITY**

The following reflects Live Oak Manor Volunteer Fire Company, Inc.’s financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date due to restriction to make truck note payment cash value life insurance not available within one year:

Cash and Cash Equivalents		\$ 972,204
Other Investment-Cash Value of Life Insurance		160,000
Total Financial Assets		<u>\$ 1,132,204</u>
Less:		
Amounts of cash value life insurance not available within one year		<u>(160,000)</u>
Financial Assets available to meet cash needs for general expenditures within one year		<u>\$ 972,204</u>

**NOTE 6 – CONCENTRATION OF SUPPORT**

Substantially all of the Organization’s public support is derived from funds provided by Jefferson Parish. The Organization has a contract with Jefferson Parish under which the Organization’s revenues amounted to \$778,125. Management is not aware of any plans on the part of Jefferson Parish to terminate the contract.

**NOTE 7 – DATE OF MANAGEMENT’S REVIEW**

The Organization has evaluated subsequent events through September 30, 2020 the date which the financial statements were available to be issued.

**OTHER SUPPLEMENTARY INFORMATION**

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO**  
**AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**Year Ended December 31, 2019**

Agency Head Name: Elvis Smith

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-Insurance	-
Benefits-Retirement	-
Benefits-other (phone allowance)	-
Travel and dues	108
Registration fees	-
Conference Travel	-
	<u>\$ 108</u>

**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  
Live Oak Manor Volunteer Fire Company, Inc.

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 Live Oak Manor Volunteer Fire Company, Inc. (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, and have issued our report thereon dated September 30, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Live Oak Manor Volunteer Fire Company, Inc.'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as item 2019-1.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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 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*.

We noted certain matters that we reported to management in a separate letter dated September 30, 2020.

### **Organization's Response to Findings**

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Organization's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
September 30, 2020

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

We have audited the financial statements of the Operations Fund of the Live Oak Manor Volunteer Fire Company, Inc. as of and for the year ended December 31, 2019 and have issued our report thereon dated September 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

The Fire Department was not subject to Single Audit under OMB’s Uniform Guidance.

**Section II Financial Statement Findings**

**A. Issues of Non Compliance**

NONE

LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.  
SCHEDULE OF FINDINGS AND RESPONSES (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019

**Section II Financial Statement Findings (Continued)**

**B. Significant Deficiencies**

Finding 2019-1 Preparation of Financial Statements by Auditor

Condition and Criteria - The Company does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principles. As is common in small organizations, the company has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Cause - Statement of Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. SAS 115 does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - Whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. We do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary.

Management's Response - The Company's staff is familiar with the day-to-day accounting requirements and the monthly cash basis reporting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Section I Financial Statement Findings**

**A. Issues of Non Compliance**

NONE

**B. Significant Deficiencies**

Finding 2018-1 Preparation of Financial Statements by Auditor – The Company does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principles. As is common in small organizations, the company has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles. (Unresolved – See finding 2019-1)

**Section II Management Letter**

2018-2 Unsecured cash – Recommendation that the company request pledged securities or transfer the unsecured amount to several banks to be FDIC insured. (Unresolved)

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.  
MANAGEMENT CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Section I Financial Statement Findings**

**A. Issues of Non Compliance**

NONE

**B. Significant Deficiencies**

2019-1 See Section II Financial Statement Findings Significant Deficiencies Preparation of Financial Statements by Auditor Management's Response P. 15

**Section II Management Letter**

2019-2 Unsecured cash – At December 31, 2019, there was a substantial amount of cash which was uninsured and/or had no pledged securities. We recommend that the company request pledged securities or transfer the unsecured amount to several banks to be FDIC insured.

Management's Response - Management agrees and will ask banks to provide pledged securities or request approval from the board to transfer the unsecured amount of cash to several bank accounts to be FDIC insured.

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

Live Oak Manor Volunteer Fire Company, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Live Oak Manor Volunteer Fire Company, Inc. (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***

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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.

***The board has met with a quorum on a monthly basis.  
No exceptions noted.***

- 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.*

***The treasurer provides the board with various financial information as well as compiled financial statements prepared by an external CPA at each meeting. However, review or discussion of the budget-to-actual are not referenced in the minutes.***

**Management's Response**

***The Fire Company will work towards developing written policies and procedures for budgeting for best practice policies.***

- 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.

***Not Applicable***

***Bank Reconciliations***

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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);

*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 work towards reviewing that the bank reconciliations are initialed and dated going further.*

- 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

*There was no evidence that the reconciliations were reviewed by the company.*

**Management's Response**

*The Fire Company will work towards reviewing the bank reconciliations going further.*

- 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.

*No exceptions noted.*

**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)***

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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).

***Obtained listing of location that processes payments for the Fire Company and management's representation that the listing is complete.***

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.

***There was no evidence of who initiated the invoice until July 2019 when a stamp was used on the invoices.***

- b) At least two employees are involved in processing and approving payments to vendors.

*There was no evidence of who approved payments to vendors until July 2019 when a stamp was used on the invoices.*

- 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.

*No exception noted.*

- 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.

*The official responsible for signing checks mails the payment.*

**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 but at a minimum will have fire chief initial invoices for approval and have treasurer initial invoices for payment which started in July 2019 with a stamp on the invoices.*

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.

*Randomly selected 5 disbursements for testing and observed that all disbursements were supported by a matching invoice or statement. There was no evidence of who initiated the purchase nor approval for payment until July 2019 when a stamp was used on the invoices.*

**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 but a minimum will have fire chief initial invoices for approval and have treasurer initial invoices for payment which started in July 2019 when a stamp was used on the invoices.*

***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.

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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.

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*

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Gretna, Louisiana

September 30, 2020