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

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 11 1996

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

As part of our examination of the financial statements of the David Crockett Steam Volunteer Fire Company Number One , for the year ended December 31, 1995, we reviewed the system of internal control, administrative procedures and financial procedures of the Organization. Our review did not include a detailed examination of all transactions, such as would be necessary to disclose any defalcations or irregularities that may have occurred. However, our engagement did include such tests of the Organization's system and procedures to the extent we considered necessary to make an evaluation as required by generally accepted auditing standards.

As a result of our review, we noted certain areas in the Organization's system and proccdures where we believe improvements could be made. This memorandum summarizes our comments and suggestions.

We will be pleased to discuss them with you and provide assistance in their implementation.



Edward L. Camnetar, Jr., CPA
A Professional Accounting Corporation

Gretna, LA
August 26, 1996

Receipt Acknowledged
Legislative Auditor

By _____



Fixed Assets - At present, the company does not have a complete listing of its fixed assets including property, fire stations, communications and fire fighting equipment. Generally accepted accounting principles require that such assets be reflected in the organization's general ledger. In addition, inventory and tagging of the equipment will help safeguard against loss.

Personnel Files - Our review indicated that personnel files were not up to date with regards to pay rates and did not include comprehensive employee applications. We believe that these items should be included in all personnel files.

Contract Labor - During the course of our audit, we noted that several persons were paid for cleaning and managing the clubhouse. We could not determine if these individuals received 1099 forms or if a review of the individual's status was made to determine if they do indeed qualify as contract labor.

We strongly suggest that the company review these people's status and file appropriate 1099 forms.

Accounting System - We recommend a review of the company's accounting system, and procedures be performed, with the goal of revamping and consolidating accounting efforts for the company's various activities and to explore the possibility of computerizing the company's accounting records. We further suggest that the company consider hiring an in-house bookkeeper on a part-time basis to maintain the company's accounting records.

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EDWARD L. CAMNETAR, JR.
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INDEPENDENT AUDITORS REPORT


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

We have audited the accompanying general purpose financial statements of David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) as of and for the year ended December 31, 1995. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The fixed assets as reflected in the General Fixed Assets Account Group reflect only the fire trucks owned by David Crockett Steam Volunteer Fire Company Number One prior to 1991 and all assets acquired by the Company since 1991. Significant additional fixed assets including land, buildings, furniture, fixtures and fire fighting equipment are owned by the company, but are not reflected in the financial statements. In our opinion, generally accepted accounting principles require that such assets be recorded on the company's financial statements. The exact amount of unrecorded assets could not be practically determined to measure the monetary effect of this departure from generally accepted accounting principles on the financial statements.

In our opinion, except for the effects of not recording certain fixed assets, as discussed in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of David Crockett Steam Volunteer Fire Company Number One as of December 31, 1995 and the results of its operations and its changes in fund balance for the year then ended in conformity with generally accepted accounting principles.


Edward L. Camnetar, Jr., CPA
A Professional Accounting Corporation

Gretna, Louisiana
August 26, 1996

FINANCIAL STATEMENTS

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1995

	<u>GOVERNMENTAL FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTAL (MEMORANDUM) ONLY</u>
	<u>GENERAL</u>	<u>GENERAL FIXED ASSETS</u>	
ASSETS			
Cash (including certificates of deposit or \$43,781)	\$ 124,891	\$ 0	\$ 124,891
Deposits	5,765	0	5,765
Employee advances	11	0	11
Fixed assets	<u>0</u>	<u>660,589</u>	<u>660,589</u>
TOTAL ASSETS	\$ <u>130,667</u>	\$ <u>660,589</u>	\$ <u>791,256</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payroll taxes payable	\$ <u>31</u>	\$ <u>0</u>	\$ <u>31</u>
TOTAL LIABILITIES	<u>31</u>	<u>0</u>	<u>31</u>
Fund Balance			
Undesignated - unreserved	130,636	0	130,636
Investment in fixed assets	<u>0</u>	<u>660,589</u>	<u>660,589</u>
TOTAL FUND BALANCE	<u>130,636</u>	<u>660,589</u>	<u>791,225</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>130,667</u>	\$ <u>660,589</u>	\$ <u>791,256</u>

The accompanying notes are an integral part of this statement..

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1995

REVENUES	
Intergovernmental	\$ 403,511
Keno revenues	996,398
Fund raising	7,157
Clubhouse rentals	17,747
Miscellaneous	11,350
Interest	<u>2,584</u>
TOTAL REVENUES	<u>1,438,747</u>
EXPENDITURES	
Accounting and legal	290
Auto and truck expenses	4,071
Bank charges	187
Dues and subscriptions	1,262
Fund raising	2,300
Insurance	66,855
Keno operations	923,542
Membership expenses	17,474
Miscellaneous fire fighting expenses	5,419
Miscellaneous general expenses	20,105
Office expense	1,092
Payroll taxes	19,293
Repairs and maintenance	31,775
Salaries	255,990
Telephone	53
Uniforms	1,739
Utilities	18,634
Capital additions	<u>65,851</u>
TOTAL EXPENDITURES	<u>1,435,932</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	2,815
FUND BALANCE:	
AT BEGINNING OF YEAR	<u>127,821</u>
AT END OF YEAR	\$ <u>130,636</u>

The accompanying notes are an integral part of this statement.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

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 fire fighting 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.

Because the David Crockett Steam Volunteer Fire Company Number One received the vast majority of its financial support from the City of Gretna to provide a public service, it is considered a quasi-public entity for financial reporting purposes. Accordingly, the accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies applied in the preparation of the accompanying general purpose financial statements are described as follows:

FINANCIAL REPORTING ENTITY

The accompanying general purpose financial statements include all funds and account groups which are controlled by the David Crockett Steam Volunteer Fire Company Number One. Control is based on application of the criteria established by the GASB for determining the reporting entity. The basic criteria, but not the only, is the ability to exercise oversight responsibility. Oversight responsibility is derived from, among other things, the ability to significantly influence operations. Based on the foregoing criteria, there are no component units which have been combined with the David Crockett Steam Volunteer Fire Company Number One to form the reporting entity, nor are there any potential component units which should be combined with the David Crockett Steam Volunteer Fire Company Number One to form the reporting entity.

FUND ACCOUNTING

For financial reporting, the accounts of the David Crockett Steam Volunteer Fire Company are organized on a fund and account group basis, each of which is considered a separate accounting entity, with a separate set of self-balancing accounts which comprise the assets, liabilities, fund equity, revenues and expenditures. The David Crockett Steam Volunteer Fire Company Number One has only one fund, the General Fund, which is used to account for all of its financial resources.

BASIS OF ACCOUNTING

The David Crockett Steam Volunteer Fire Company Number One's accounting records for its General Fund are maintained on the cash basis of accounting. For financial reporting in accordance with generally accepted accounting principles, the accounting records are converted to the modified accrual basis under which revenues and expenditures are recognized as follows:

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1995

REVENUES

David Crockett Steam Volunteer Fire Company Number One received a majority of its revenues through monthly payments on a contract with the City of Gretna, Louisiana to provide fire fighting services and from payments by the Parish of Jefferson, Louisiana for fire station maintenance. These revenues are recorded as Intergovernmental Revenues in the period when they are received. Other revenues are reported in the period in which they are earned.

EXPENDITURES

Expenditures are recognized when the related liability is incurred.

BUDGET

The David Crockett Steam Volunteer Fire Company Number One is not legally required to accept a budget. The Company did submit a budget to the City of Gretna, Louisiana as required by its contract with the City. Since this budget only covers a portion of the Company's operation, a comparison of actual results with a budget is not presented in the accompanying financial statements.

COMPENSATED ABSENCES

Accumulated annual (vacation) leave is reported in the General Fund because it is expected to be liquidated with expendable available financial resources. An expenditure or liability has not been recorded for accumulated sick leave because it is nonvested.

FIXED ASSETS

Fixed assets purchased since 1991 are recorded as expenditures (capital outlay) in the General Fund when purchased and are accounted for in the General Fixed Assets Account Group. For assets purchased prior to 1991, only fire trucks are accounted for in the General Fixed Assets Account Group. Other assets that are owned by the Company and acquired prior to 1991 include land, buildings, furniture and equipment.

DONATED SERVICES

The value of donated services is not reflected in the accompanying financial statements 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 fire fighting.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 1995

TOTAL COLUMN ON COMBINED BALANCE SHEET

The total column on the combined balance sheet is captioned "memorandum only" to indicate that this information is presented only to facilitate financial analysis. Data in the total column does not present financial position in conformity with generally accepted accounting principles.

NOTE 2

CASH

At December 31, 1995, the carrying amount of the David Crockett Steam Volunteer Fire Company Number One bank accounts was \$124,891 and the bank balances were \$123,347 which was covered by federal depository insurance.

NOTE 3

CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group during the year ended December 31, 1995.

	<u>Balance</u> <u>January 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 1995</u>
Fire Fighting Equipment & Other Equipment	\$ 594,738	\$ 65,851	\$ -0-	\$ 660,589

COMPLIANCE AND INTERNAL CONTROL SECTION

EDWARD L. CAMNETAR, JR., CPA

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REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) for the year ended December 31, 1995, and have issued our report thereon dated

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of David Crockett Steam Volunteer Fire Company Number One for the year ended December 31, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of David Crockett Steam Volunteer Fire Company Number One is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Accounting Applications:

- Cash
- Expenditures for goods and services
- Payroll and related liabilities
- Property, equipment, and capital expenditures

Controls Used in Administering Funding Source Agreements:

- Types of services allowed or not allowed
- Allowability of expenditures

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the of the internal control structure, that in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. We noted the following reportable conditions:

Personnel files - Our review of personnel files indicated that certain items including comprehensive employment applications and record of pay rates were either non-existent or dated.

Budgets - Our review of the records could not ascertain adoption of a formal budget. While there is evidence of budget work being performed on the "operating account", we could not determine a formal adoption of a budget by either the board of directors or the general membership or any integration into the financial records or budget monitoring during the course of the year.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure element does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable conditions that we believe to be material weaknesses.

Fixed Assets - The company has not kept a record of fixed assets it has acquired prior to 1991. Recently, an attempt was made to record the company's fire engines in the fixed asset accounts. The company's land, buildings and smaller fire fighting and communications equipment have not been inventoried and recorded.

The unrecorded assets are significant in value. Since many are relatively small in size and under the care and control of a number of members, they are susceptible to be lost or stolen.

This report is intended for the information of the Board of Directors and Management of David Crockett Steam Volunteer Fire Company Number One and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Edward L. Camnetar, Jr., CPA
A Professional Accounting Corporation

Gretna, Louisiana
August 26, 1996

EDWARD L. CAMNETAR, JR., CPA

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**REPORT ON COMPLIANCE BASED ON AN AUDIT OF THE GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) as of and for the year ended December 31, 1995, and have issued our report thereon dated

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to David Crockett Steam Volunteer Fire Company Number One is the responsibility of the Organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of David Crockett Steam Volunteer Fire Company Number One's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following material instances of noncompliance.

The company failed to comply with state law requiring audited financial statements be completed prior to six months from the company's fiscal year end. The company's audited financial statements were completed on August 26, 1996. Factors contributing to the lateness of the financial statements included a later than anticipated start of audit field work, a transition to a new treasurer, and the volunteer status of all company officers which extends the time required to retrieve necessary financial records.

We considered these instances of noncompliance in forming our opinion on whether The David Crockett Steam Volunteer Fire Company Number One's 1995 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated August 26, 1996, on those general purpose financial statements.

This report is intended for the information of the Board of Directors and Management of David Crockett Steam Volunteer Fire Company Number One and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Edward L. Camnetar, Jr., CPA
A Professional Accounting Corporation

Gretna, Louisiana
August 26, 1996