

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

YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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.

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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 financial statements of the Operations Fund of the David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) as of and for the year ended December 31, 2003. 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 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 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.

In our opinion, the financial statements of the Operations Fund referred to in the first paragraph present fairly, in all material respects, the financial position of the Operations Fund of the David Crockett Steam Volunteer Fire Company Number One as of December 31, 2003 and the results of its operations and its changes in fund balance for the years then ended December 31, 2003 in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2003 on our consideration of the David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting in its Operations Fund and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Camnetar & Co.

CAMNETAR & CO., CPAs
A Professional Accounting Corporation

Gretna, Louisiana
June 18, 2004

FINANCIAL STATEMENTS

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
COMBINED BALANCE SHEET
OPERATIONS FUND
GOVERNMENT FUND TYPES AND ACCOUNT GROUP**

DECEMBER 31, 2003

	<u>GOVERNMENTAL FUND TYPE</u>	<u>ACCOUNT GROUP</u>	
	<u>GENERAL</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTAL (MEMORANDUM) ONLY</u>
ASSETS			
Cash operations fund	\$ 102,025	\$ 0	\$ 102,025
Deposits	2,125	0	2,125
Fixed assets	<u>0</u>	<u>2,507,655</u>	<u>2,507,655</u>
TOTAL ASSETS	\$ <u>104,150</u>	\$ <u>2,507,655</u>	\$ <u>2,611,805</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payroll taxes payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Undesignated - unreserved	104,150	0	104,150
Investment in fixed assets	<u>0</u>	<u>2,507,655</u>	<u>2,507,655</u>
TOTAL FUND BALANCE	<u>104,150</u>	<u>2,507,655</u>	<u>2,611,805</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>104,150</u>	\$ <u>2,507,655</u>	\$ <u>2,611,805</u>

The accompanying notes are an integral part of this statement.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF REVENUES AND EXPENDITURES
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>2003</u>
REVENUES	
City funding	\$ 536,055
U S Grant	177,840
Insurance reimbursement	3,317
Interest income	<u>0</u>
TOTAL REVENUES	717,212
EXPENDITURES	
Salaries	309,985
Accounting	4,200
Administration	1,142
Auto and truck – fuel	2,545
Bunker gear	25
Contract services	4,809
Dues & subscriptions	500
Equipment purchases	207,457
Fire fighter's gear	2,785
Equipment testing	2,376
Insurance – general	46,528
Insurance – workmen's compensation	27,711
Office expense	1,080
Pension plan contributions	11,388
Pension plan expense	775
Photography	51
Postage	793
Radio repairs	3,492
Repairs and maintenance – equipment	4,158
Repairs – trucks	13,166
Supplies	1,933
Taxes – payroll	25,849
Training	1,236
Uniforms	5,935
Utilities	<u>20,371</u>
TOTAL EXPENDITURES	<u>700,290</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,922
FUND BALANCE:	
AT BEGINNING OF YEAR	<u>87,228</u>
AT END OF YEAR	\$ <u>104,150</u>

The accompanying notes are an integral part of this statement.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

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 financial statements include the Operations Fund of the David Crockett Steam Volunteer Fire Company Number One and the assets in the General Fixed Asset Account Group purchased with Operations Fund resources. 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 is reporting on only one fund, the Operations Fund which accounts for all of its public funding and expenditures.

BASIS OF ACCOUNTING

The David Crockett Steam Volunteer Fire Company Number One's accounting records for its Operations 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)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):

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. 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 adopt 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 and is on a fiscal period other than the Company's fiscal year, 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 with Operations Fund resources 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. Assets purchased prior to 1991 are recorded in the General Fixed Asset Group at their fair market value.

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 activities.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):

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, 2003, the carrying amount of the David Crockett Steam Volunteer Fire Company Number One bank account was \$102,025. The bank balance was \$302,440 of which \$100,000 was covered by federal depository insurance and \$105,940 was covered by collateral held by the Federal Reserve Bank in the company's name. Even though the deposits covered by pledge securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the David Crockett Volunteer Fire Company that the fiscal agent has failed to pay deposited funds upon demand.

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, 2003

	<u>Balance</u> <u>January 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2003</u>
Land	\$ 48,500	\$ 0	\$ 0	\$ 48,500
Buildings & Improvements	558,792	0	0	558,792
Fire Fighting Equipment	1,686,997	206,553	0	1,893,550
Furniture & Fixture	<u>6,618</u>	<u>195</u>	<u>0</u>	<u>6,813</u>
 TOTAL	 \$ <u>2,300,907</u>	 \$ <u>206,748</u>	 \$ <u>0</u>	 \$ <u>2,507,655</u>

NOTE 4 - RELATED PARTY TRANSACTIONS

The Board employed, on a part-time basis, Antionette Black, who is the wife of the Fire Chief Robert Black. Mrs. Black was paid \$1,523 for 2003.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 5 - 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 2003 were \$11,388 and the employee contributions for 2003 were \$10,206.

NOTE 6 - FIRE FIGHTING EQUIPMENT LEASE

The David Crockett Steam Volunteer Fire Co. Number One is being provided with fire fighting 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 the General Fixed Asset Account Group.

COMPLIANCE AND INTERNAL CONTROL SECTION

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF 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 operations fund financial statements of the David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 18, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the David Crockett Steam Volunteer Fire Company Number One operations fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the operations fund financial statements and not to provide assurance on the internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that misstatements 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the David Crockett Steam Volunteer Fire Company Number One's management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. 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 18, 2004

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

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 2003 and have issued our report thereon dated June 18, 2004. 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, 2003 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II Financial Statement Findings

A. Issues of Non Compliance

None

B. Reportable Conditions

None

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2003**

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, 2003**

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Management Letter

None