

LAFITTE-BARATARIA-CROWN POINT
VOLUNTEER FIRE COMPANY

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2011

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 AUDITOR'S REPORT

To Board of Directors of
Lafitte-Barataria-Crown Point Volunteer Fire Co.
Lafitte, Louisiana

We have audited the accompanying statement of financial position of Lafitte-Barataria-Crown Point Volunteer Fire Co., as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Volunteer Fire Co.'s management. 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 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 referred to above present fairly, in all material respects, the financial position of Lafitte-Barataria-Crown Point Volunteer Fire Co. at December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2012 on our consideration of Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is listed in the accompanying Table of Contents and is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
June 13, 2012

FINANCIAL STATEMENTS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

CURRENT ASSETS:

Cash \$ 552,492

Total current assets 552,492

Property and equipment 610,492

Total assets 1,162,984

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable 2,943

Accrued payables:

Salaries 11,552

Due to Jefferson Parish 1,000

Total current liabilities 15,495

NET ASSETS:

Unrestricted 1,147,489

Total Liabilities and Net Assets \$ 1,162,984

See accompanying notes to financial statement.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted Net Assets</u>
SUPPORT:	
Firefighting contract	\$ 684,000
FEMA reimbursements	16,076
Fire insurance premium tax	8,729
Donations	5,167
Dues	1,062
Interest income	3,337
Fund raisers	32,830
Rental income	1,330
Miscellaneous	<u>17,866</u>
Total support	<u>770,397</u>
EXPENSES:	
Program services - firefighting	702,690
Supporting services - management and general	<u>22,148</u>
Total expenses	<u>724,838</u>
INCREASE IN UNRESTRICTED NET ASSETS	45,559
NET ASSETS - Beginning of year	<u>1,101,930</u>
NET ASSETS - End of year	<u>\$ 1,147,489</u>

See accompanying notes to financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
 STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED DECEMBER 31, 2011

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Firefighting</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 320,498	\$ -	\$ 320,498
Advertising	-	43	43
Bank charges	-	11	11
Conventions, conferences and meetings	-	5,944	5,944
Depreciation	43,193	-	43,193
Firefighting training	2,635	-	2,635
Fuel and truck expense	25,137	-	25,137
Fund raiser expense	-	4,834	4,834
Insurance	197,236	-	197,236
Membership activities	-	1,013	1,013
Miscellaneous	-	1,447	1,447
Office expense	-	2,066	2,066
Professional services	-	6,790	6,790
Repairs and maintenance	24,531	-	24,531
Small equipment	2,510	-	2,510
Supplies	55,765	-	55,765
Uniforms	1,408	-	1,408
Utilities and telephone	<u>29,777</u>	<u>-</u>	<u>29,777</u>
Total	<u>\$ 702,690</u>	<u>\$ 22,148</u>	<u>\$ 724,838</u>

See accompanying notes to financial statements.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in unrestricted net assets	\$	45,559
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		43,193
Decrease in accounts and other accrued payables		(94)
Decrease in due to Jefferson Parish		<u>(6,000)</u>
Net cash provided by operating activities	\$	82,658
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment		<u>(59,371)</u>
Net cash used by investing activities		<u>(59,371)</u>
NET INCREASE IN CASH		23,287
CASH - Beginning of year		<u>529,205</u>
CASH - End of year	\$	<u>552,492</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

ORGANIZATION

Lafitte-Barataria-Crown Point Volunteer Fire Company (the Fire Company) was created in 1950 under the non-profit corporation provisions of Louisiana Revised Statutes 12:202. The Fire Company contracts with the Parish of Jefferson, State of Louisiana to provide fire protection and related services to a portion of the 4th Fire Protection District of the Parish of Jefferson.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Basis of Accounting and Financial Statement Presentation

The financial statements are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

The Fire Company follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Nonprofit organizations*. Under SFAS No. 117, the Fire Company is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2008 the Fire Company had only unrestricted net assets.

The statement of activities presents expenses of the Fire Company's operations functionally between program services for firefighting and administrative and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

3. Contributions and Donated Services

The Fire Company follows Statement of Financial Accounting Standards (SFAS) no. 116, *Accounting for contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

4. Income Tax

The Fire Company is exempt from income taxes under Internal Revenue Code Section 501(c)(4) as a nonprofit organization and accordingly no provision for income taxes is made in the financial statements.

4. Cash and Cash Equivalent

For purposes of the statement of cash flows, the Fire Company has defined cash and cash equivalents as cash in banks, money market accounts and certificates of deposit with original maturities of three months or less. There were no cash equivalents at December 31, 2011.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2011

5. Property and Equipment

Acquisitions of property and equipment in excess of \$100 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at acquisition cost, or estimated historical cost if acquisition cost is not available. Depreciation is provided for in amounts sufficient to relate the cost of depreciable property and equipment to operations over their estimated useful lives using the straight-line method. Estimated useful lives of property and equipment are as follows:

Building and improvements	15-20 years
Equipment	5-20 years

6. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. CASH

At December 31, 2011, the aggregate carrying amount of the Fire Company's seven bank accounts was \$552,492 and the aggregate bank balances were \$557,172 all of which are covered by federal depository insurance.

C. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment and depreciation activity for the year ended December 31, 2011.

	Balance 1/1/11	Additions	Deletions	Balance 12/31/11
Land	\$ 30,000	\$ -0-	\$ -0-	\$ 30,000
Building and improvements	773,794	-0-	-0-	773,794
Equipment	<u>695,872</u>	<u>59,371</u>	<u>74,306</u>	<u>680,937</u>
Total	\$ <u>1,499,666</u>	\$ <u>59,371</u>	\$ <u>74,406</u>	\$ <u>1,484,731</u>
Less accumulated depreciation:				
Building and improvements	278,288	17,249	-0-	295,537
Equipment	<u>627,064</u>	<u>25,944</u>	<u>74,306</u>	<u>578,702</u>
Total	<u>905,352</u>	<u>43,193</u>	<u>74,306</u>	<u>874,239</u>
Net, property and equipment	\$ <u>594,314</u>	\$ <u>16,178</u>	\$ <u>-0-</u>	\$ <u>610,492</u>

Fire trucks and some other assets which are being used by the Fire Company in its operations are not included in the above summary because they were purchased by Jefferson Parish with bond money and belong to the Parish.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2011

D. DUE TO JEFFERSON PARISH

On February 27 2002, the Fire Company purchased a fire truck for \$50,000 with money advanced by Jefferson Parish. Repayment began in November of 2003 at the rate of \$500 per month. As of December 2011 the unpaid liability is \$1,000.

E. FIRE PROTECTION CONTRACT

The Fire Company has a contractual agreement with the Parish of Jefferson under which the Fire Company is to provide fire protection and related services in a specifically designated area of Fire Protection District No. 4. The agreement provides that the fire Company is to receive from the Parish a sum of money in monthly installments which will represent the net proceeds of the property tax levied annually by Fire Protection District No. 4. The Fire Company also receives from the Parish the 2% fire insurance premium tax which the Parish receives from the State of Louisiana for Fire Protection District No. 4.

F. DONATED SERVICES

A significant contribution of time is made by unpaid volunteers to accomplish the purpose for which the Fire Company was established. The value of this contributed time is not included in the accompanying financial statements because it is not susceptible to objective measurement or evaluation.

G. ECONOMIC DEPENDENCY

Substantially all of the Fire Company's public support is derived from funds provided by Jefferson Parish. On September 21, 2006, the Fire Company contracted with the Parish to provide fire-fighting and rescue services for a period of ten years.

H. LEASES

The Fire Company leases a portion of ground from Jefferson Parish for an annual rental of \$1. The Fire Company has constructed a fire station (#43) on the ground at a cost of \$110,000. This amount is included in the General Fixed Assets Group.

VII. CONCENTRATION OF CREDIT RISK

The Fire Company's income is derived principally from the proceeds of a property tax and other funding under a contract with Jefferson Parish to support fire protection and related services.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE CO.

NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2011

J. SUPPLEMENTAL PAY

The full-time firefighters receive supplemental pay from the State of Louisiana. These payments are made directly to the firefighters and do not pass through the Fire Company and are not included in the Fire Company's financial statements, except for the employer's share of the social security and medicare tax which is borne by the Fire Company.

INTERNAL CONTROL AND COMPLIANCE

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**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 Board of Directors of
Lafitte-Barataria-Crown Point Volunteer Fire Co.
Lafitte, Louisiana

We have audited the financial statements of Lafitte-Barataria-Crown Point Volunteer Fire Co. as of and for the year ended December 31, 2011, and have issued our report thereon dated June 13, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s financial statements that is more than inconsequential will not be prevented or detected by the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Lafitte-Barataria-Crown Point Volunteer Fire Co.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafitte-Barataria-Crown Point Volunteer Fire Co.'s financial statements are free of 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 result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors and the Louisiana Legislative Auditor 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.



Harvey, Louisiana
June 13, 2012