

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

YEAR ENDED DECEMBER 31, 2013

Cammetar & Co., CPAs
a professional accounting corporation

TABLE OF CONTENTS

	<u>PAGE NO.</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6 - 9
COMPLIANCE AND INTERNAL CONTROL SECTION	
Independent Auditor's Report on Internal Control Over Financial reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10 - 11
Schedule of Findings and Responses.....	12
Schedule of Prior Year Findings.....	13
Management's Corrective Action Plan.....	14

Camnetar & Co., CPAs

a professional accounting corporation

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

504.362.2544 (Fax) 504.362.2663

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
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, 2013, and the related statement 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 of 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, 2013, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, 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 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

June 30, 2014

FINANCIAL STATEMENTS

LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	316,145
Due from Jefferson Parish		<u>14,082</u>

Total current assets		330,227
----------------------	--	---------

PROPERTY, PLANT AND EQUIPMENT, (NET)		113,966
--------------------------------------	--	---------

OTHER ASSETS

Due from Jefferson Parish		85,667
Other Investment-Cash value of Life Insurance		<u>160,000</u>

Total other assets		245,667
--------------------	--	---------

TOTAL ASSETS	\$	<u>689,860</u>
--------------	----	----------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current maturities of long-term debt	\$	14,781
Accrued liabilities		<u>2,927</u>

Total current liabilities		17,708
---------------------------	--	--------

LONG-TERM LIABILITIES

Note payable		<u>85,667</u>
--------------	--	---------------

Total long-term liabilities		85,667
-----------------------------	--	--------

NET ASSETS

Unrestricted		<u>586,485</u>
--------------	--	----------------

Total net assets		<u>586,485</u>
------------------	--	----------------

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>689,860</u></u>
----------------------------------	----	-----------------------

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, 2013

UNRESTRICTED NET ASSETS

REVENUE

Jefferson Parish	\$	777,000
State insurance rebates		16,286
State supplemental pay		48,534
Miscellaneous		17,980
Interest		<u>169</u>
 Total revenue		 859,969

EXPENSES

Administrative		22,769
Firefighting		<u>657,160</u>
 Total expenses		 <u>679,929</u>

INCREASE IN UNRESTRICTED NET ASSETS 180,040

NET ASSETS-BEGINNING OF YEAR 406,445

NET ASSETS - END OF YEAR \$ 586,485

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, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 180,040
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	17,593
Decrease in receivables	34,315
Increase in accrued liabilities	<u>828</u>
Net cash provided by operating activities	232,776
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases/dispositions of property and equipment	(39,969)
Purchases of investment-cash value of life insurance	<u>(160,000)</u>
Net cash used in investing activities	(199,969)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payment of note payable	<u>(14,083)</u>
Net cash used in financing activities	(14,083)
NET DECREASE IN CASH AND CASH EQUIVALENTS	18,724
CASH AND CASH EQUIVALENTS - beginning of year	<u>297,421</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 316,145</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, 2013**

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 fire fighting to a prescribed sector of the 7th 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, 2013, Live Oak Manor Volunteer Fire Company, Inc. had only unrestricted net assets.

The statement of activities presents expenses functionally between program services for firefighting, general and administrative, and fund raising. Those expenses, which cannot be functionally categorized, are allocated between functions based upon management's estimate of usage applicable to conducting 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 which are 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 fire fighting activities.

LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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.

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	\$ -
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 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, 2013, the amount recognized as revenue and expenses was \$48,534.

NOTE 2 - CASH AND CASH EQUIVALENTS

Following is a schedule of cash balances in financial institutions for the year ended 12/31/2013:

	Balance
	<u>12/31/13</u>
Capital One Bank:	
Checking	\$ 45,155
Savings	<u>270,990</u>
	<u>\$316,145</u>

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Concentrations of Credit Risk – For the year December 31, 2013 cash balances were maintained in one financial institution located in New Orleans area. The bank balances were \$ 355,005 of which were entirely secured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 3 – DUE FROM JEFFERSON PARISH

The organization is obligated on a lease purchase agreement for a fire truck owned by the Jefferson Parish Government as described in Note 6. The amount reflected as Due from Jefferson Parish is the obligation by the parish to fund these lease payments and is reflected as follows:

Due from Jefferson Parish	
Current Assets	\$ 14,082
Other Assets	\$ 85,667

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in the Property, Plant and Equipment during the year ended December 31, 2013:

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Land	\$ 2,700	\$ -	\$ -	\$ 2,700
Fire Fighting Equipment	690,225	18,889	-	709,114
Building & Improvements	38,902	16,670	-	55,572
Furniture & Fixture	53,630	4,410	-	58,040
	785,457	39,969	-	825,426
Less				
Accumulated Depreciation	693,867	17,593	-	711,460
 Net Property, Plant and Equipment	 \$ 91,590	 \$ 22,376	 \$ -	 \$ 113,966

Depreciation expense for the year ended December 31, 2013 was \$17,593.

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.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 5 – 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, 2013.

NOTE 6 – NOTE PAYABLE

The Organization incurred debt on the acquisition of a new fire truck in the year ended December 31, 2010. Although the organization does not retain legal title to this asset it is obligated under a lease purchase agreement with Government Capital Corporation dated July 26, 2010 requiring annual payments of \$19,766.77 over a ten year period at an interest rate of 4.9%. This annual obligation is funded through the Jefferson Parish Government and is reflected as an asset (Due from Jefferson Parish) on the organization’s Statement of Financial Position.

The annual requirements to amortize all notes outstanding at December 31, 2013 are as follows:

Period Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	14,781	4,986	19,767
2015	15,515	4,252	19,767
2016	16,285	3,482	19,767
2017	17,094	2,673	19,767
2018	17,941	1,826	19,767
2019	<u>18,832</u>	<u>928</u>	<u>19,760</u>
Totals	<u>\$ 100,448</u>	<u>\$ 18,147</u>	<u>\$ 118,595</u>

NOTE 7 – DATE OF MANAGEMENT’S REVIEW

The Organization has evaluated subsequent events through June 30, 2014, the date which the financial statements were available to be issued.

COMPLIANCE AND INTERNAL CONTROL SECTION

Camnetar & Co., CPAs

a professional accounting corporation

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

504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA

Orfelinda G. Richard, CPA

Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT 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, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 Live Oak Manor Volunteer Fire Company, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Live Oak Manor Volunteer Fire Company, Inc.'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 Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the members of the Live Oak Manor Volunteer Fire Company, Inc.'s management and others within the organization, 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.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

June 30, 2014

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 2013 and have issued our report thereon dated June 30, 2014. 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, 2013 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 Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Was a management letter issued? Yes No

Section II Financial Statement Findings

A. Issues of Non Compliance

NONE

B. Significant Deficiencies

NONE

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Section I Internal Control and Compliance Material to the Financial Statements

NONE

Section II Management Letter

NONE

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
MANAGEMENT CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2013**

Section I Internal Control and Compliance Material to the Financial Statements

NONE

Section II Management Letter

NONE