

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

YEAR ENDED DECEMBER 31, 2007

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.

Release Date 8/6/08

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 - 8
COMPLIANCE AND INTERNAL CONTROL SECTION	
Report on Compliance and on Internal Control Over Financial reporting based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9 - 10
Schedule of Findings and Questioned Costs.....	11
Schedule of Prior Year Findings.....	12
Management's Corrective Action Plan.....	13

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Live Oak Manor Volunteer Fire Company, Inc. (a non-profit organization) as of and for the year ended December 31, 2007 and the related statement of activities and cash flows for the year then ended. 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 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.

As explained in Note 1 to the financial statements, depreciation on property, plant and equipment is not recorded in the financial statements. In our opinion, accounting principles generally accepted in the United States of America require that depreciation be recorded on these assets. It was not practicable to determine the effects of the unrecorded depreciation expense or accumulated depreciation as of and for the year ended December 31, 2007.

In our opinion, except for the effects of not recording depreciation on property, plant and equipment, as discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Live Oak Manor Volunteer Fire Company, Inc. as of December 31, 2007 and the changes in its net assets and its cash flows for the year then ended December 31, 2007 in accordance with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2008 on our consideration of the Live Oak Manor Volunteer Fire Company, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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* and should be read in conjunction with this report in considering the results of our audit.

Camnetar & Co.

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Gretna, Louisiana

June 28, 2008

FINANCIAL STATEMENTS

LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 113,883
Receivables	<u>950</u>

Total current assets	114,833
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PROPERTY, PLANT AND EQUIPMENT	<u>678,066</u>
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TOTAL ASSETS	<u>\$ 792,899</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued liabilities	<u>\$ 132,800</u>
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Total current liabilities	132,800
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NET ASSETS

Unrestricted	<u>660,099</u>
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Total net assets	<u>660,099</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 792,899</u>
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The accompanying notes and report are an integral part of this statement

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

UNRESTRICTED NET ASSETS

REVENUE

Jefferson Parish	\$	492,000
State insurance rebates		14,631
State supplemental pay		21,750
Miscellaneous		2,809
Interest		<u>1,271</u>

Total revenue 532,461

EXPENSES

Administrative	51,844
Firefighting	<u>532,146</u>

Total expenses 583,990

INCREASE IN UNRESTRICTED NET ASSETS (51,529)

NET ASSETS - BEGINNING OF YEAR 711,628

NET ASSETS - END OF YEAR \$ 660,099

The accompanying notes are an integral part of this statement.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (51,529)
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Decrease in receivables	45,568
Decrease in accrued liabilities	<u>(11,781)</u>
Net cash provided by operating activities	(17,742)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases/dispositions of property and equipment	<u>12,151</u>
Net cash used in investing activities	12,151
 CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on note payable	<u>-</u>
Net cash used in financing activities	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,591)
CASH AND CASH EQUIVALENTS - beginning of year	<u>119,474</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 113,883</u>

The accompanying notes are an integral part of this statement.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 in Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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, 2007, 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 were stated at acquisition cost. Depreciation has not been provided.

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.

LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

**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.

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, 2007, the amount recognized as revenue and expenses was \$21,750.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2007, the carrying amounts of the Live Oak Manor Volunteer Fire Company, Inc. bank accounts were \$ 113,883. The bank balances were \$ 118,812 of which \$ 118,812 were covered by federal depository insurance.

LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 3 - CHANGES IN PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in the Property, Plant and Equipment during the year ended December 31, 2007

	Balance			Balance
	<u>January 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2007</u>
Land	\$ 2,700	\$ -	\$ -	\$ 2,700
Fire Fighting Equipment	647,197	4,224	(3,371)	648,050
Furniture & Fixture	<u>40,320</u>	<u>-</u>	<u>(13,004)</u>	<u>27,316</u>
TOTAL	<u>\$ 690,217</u>	<u>\$ 4,224</u>	<u>\$ (16,375)</u>	<u>\$ 678,066</u>

NOTE 4 - ACCRUED EXPENSES

The Company suffered major damages to the fire station from Hurricane Katrina. The liability for unpaid casualty loss damages of \$132,800 is included in accrued liabilities as of December 31, 2007.

NOTE 5 - RECEIVABLES

A breakdown of the Company's receivables at year end is as follows:

Receivables:

Due from other Governments \$ 950

COMPLIANCE AND INTERNAL CONTROL SECTION

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

We have audited the financial statements of the Live Oak Manor Volunteer Fire Company, Inc. (a non-profit organization) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 28, 2008. We conducted our audit in accordance with generally accepted 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 the Company's internal control over financial reporting as a basis for designing our auditing procedures 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 Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company'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 Company'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 Company's financial statements that is more than inconsequential will not be prevented or detected by the Company'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 Company'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 over financial reporting 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 as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company'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 results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as finding 2007-1.

The Company's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Company's responses and, accordingly, we express no opinion on it.

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.

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Gretna, Louisiana

June 28, 2008

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 2007 and have issued our report thereon dated June 28, 2008. 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, 2007 resulted in a qualified 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

Section II Financial Statement Findings

A. Issues of Non Compliance

Finding 2007-1 Fixed Asset Accounting - The Company has not inventoried fixed assets acquired in several years.

Management's Response:

Management has hired a CPA firm to assist in updating its accounting procedures and recordkeeping. Management has requested the CPA firms' assistance to properly complete the Inventory of fixed assets and integrate these values into its financial records.

B. Significant Deficiencies

NONE

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Section I Internal Control and Compliance Material to the Financial Statements

Finding 2006-1 Fixed Asset Accounting - The Company has not inventoried fixed assets acquired in several years. (Not resolved) See current year finding 2007-1

Finding 2006-2 Missing Source Documents - Certain expenditures from the company's public funds were made where no documentation in the form of vendors invoice could be located. These expenditures are as follows: (Resolved)

Payee	Amount	Explanation
Motorola	\$ 4,514.50	Motorola radios
Robein, Urann and Lurye, PLC	25,000.00	Court ordered legal fees
Sam's Club	567.04	Building upkeep and supplies
National Fire Codes	675.00	Manuals
Sam's Club	557.78	Building upkeep and supplies
Fleetcor	1,184.90	Fuel
Virginia TS	835.54	Uniforms
Office Depot	738.72	Station supplies
Fleetcor	1,228.18	Fuel

Finding 2006-3 Accounting and Control Procedures - The Company does not have well defined or documented accounting and control procedures regarding the documentation and deposit of funds received, authorization for and payment of expenses incurred and protection of company assets. As a result of this condition, certain expenses were incurred and payment was made thereof that could not be documented. (Resolved)

Section II Management Letter

See Findings 2006-1 to 2006-3 in the Schedule of Prior Year Findings Section I above.

**LIVE OAK MANOR VOLUNTEER FIRE COMPANY, INC.
MANAGEMENT CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2007**

Section I Internal Control and Compliance Material to the Financial Statements

See Findings 2007-1 "Schedule of Findings and Questioned Costs" at page 11.

Section II Management Letter

NONE