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LAFITTE-BARATARIA-CROWN POINT  
VOLUNTEER FIRE COMPANY

LAFITTE, LOUISIANA

ANNUAL FINANCIAL REPORT

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 7-24-96

T A B L E     O F     C O N T E N T S

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	3
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	4
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	5
NOTES TO FINANCIAL STATEMENTS	6-10
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	11
INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	12-14

# UZEE, BUTLER, ARCENEUX & BOWES

CERTIFIED PUBLIC ACCOUNTANTS  
2067 PAXTON STREET  
HARVEY, LOUISIANA 70058  

---

(504) 347-0441  
FAX (504) 347-0467

DOUGLAS L. UZEE, CPA  
(1926 - 1988)  
JAMES L. BUTLER, CPA  
N. PAUL ARCENEUX, CPA  
PATRICK J. BOWES, CPA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To Board of Directors of the  
Lafitte-Barataria-Crown Point Volunteer Fire Company

We have audited the accompanying general purpose financial statements of Lafitte-Barataria-Crown Point Volunteer Fire Company, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the Volunteer Fire Company'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 *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 general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Lafitte-Barataria-Crown Point Volunteer Fire Company, as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

*Uzee, Butler, Arceneux & Bowes*

Harvey, Louisiana  
June 25, 1996

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1995

	Governmental Fund Type  General	General Fixed Assets Account <u>Group</u>	Total (Memorandum Only) <u>Only</u>
ASSETS AND OTHER DEBITS			
Cash, including \$128,980 in Certificates of Deposit	\$ 269,973	\$ -0-	\$ 269,973
Fixed assets	<u>-0-</u>	<u>1,045,324</u>	<u>1,045,324</u>
Total assets and other debits	\$269,973	\$ <u>1,045,324</u>	\$ <u>1,315,297</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accrued wages	\$ 4,300	\$ -0-	\$ 4,300
Total liabilities	<u>4,300</u>	<u>-0-</u>	<u>4,300</u>
Equity and other credits:			
Investment in general fixed assets	-0-	1,045,324	1,045,324
Fund balance:			
Unreserved:			
Designated	200,000	-0-	200,000
Undesignated	<u>65,673</u>	<u>-0-</u>	<u>65,673</u>
Total equity and other credits	<u>265,673</u>	<u>1,045,324</u>	<u>1,310,997</u>
Total liabilities, equity and other credits	\$ <u>269,973</u>	\$ <u>1,045,324</u>	\$ <u>1,315,297</u>

The accompanying notes are an integral part of this statement.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Year ended December 31, 1995

Revenues:		
Intergovernmental (from Jefferson Parish):		
Contractual services	\$297,103	
Subsidies for maintenance and operation	<u>39,000</u>	\$336,103
Interest		8,495
Miscellaneous		<u>9,697</u>
 Total revenues		 354,295
Expenditures:		
Current operating:		
Payroll and related taxes	162,574	
Accounting and office	7,337	
Fire prevention and training	12,015	
Fuel	5,738	
Insurance	48,680	
Miscellaneous	12,676	
Repairs and maintenance	28,873	
Utilities	14,927	
Uniforms	596	
Capital outlay:		
Purchases of equipment	<u>14,956</u>	
 Total expenditures		 <u>308,372</u>
Excess of revenues over expenditures		45,923
Fund balance at beginning of year		<u>219,750</u>
Fund balance at end of year		<u>\$265,673</u>

The accompanying notes are an integral part of this statement.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Because the Fire Company receives the vast majority of its financial support from the Parish of Jefferson 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 Boards (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:

- A. Financial Reporting Entity. The accompanying general purpose financial statements include all funds and account groups which are controlled by the Fire Company. 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 Fire Company to form the reporting entity, nor are there any potential component units which should be combined with the Fire Company to form the reporting entity.
- B. Fund Accounting. The accounts of the 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 Fire Company has only one fund, the General Fund, which is used to account for all of its financial resources.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1995

- C. Basis of Accounting. The Fire Company's accounting records for its General Fund are maintained on the cash basis of accounting. For financial reporting in conformity with generally accepted accounting principles, the accounting records are converted to the modified accrual basis under which revenues and expenditures are recognized as follows.

Revenues. The Fire Company has an 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. The proceeds of the property tax (\$289,750) and the 2% fire insurance premium tax (\$7,353) are reported as intergovernmental revenue from contractual services in the accompanying statement of revenues and expenditures. Intergovernmental revenues are reported as revenues of the period for which received. Interest revenue is reported in the period in which earned. Miscellaneous revenues are reported in the period in which received.

Expenditures. Expenditures are recognized when the related liability is incurred.

- D. Budget. The Fire Company is not legally required to adopt a budget. For 1995 a budget was prepared for internal use but not in a format compatible to the financial statements; therefore comparison of actual results with a budget is not presented in the accompanying financial statements.
- E. Fixed Assets. Fixed assets are recorded as expenditures (capital outlay) in the General Fund when purchased and are accounted for in the General Fixed Assets Account Group. Purchased fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair market value on the date received. General fixed assets are not depreciated.

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1995

F. 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. Neither is such data comparable to a consolidation.

2. CASH

At December 31, 1995, the carrying amount of the Fire Company's bank deposits was \$269,973 and the bank balances were \$272,064. Of the bank balances, \$151,068 was covered by federal depository insurance and \$120,996 was uninsured and uncollateralized.

3. FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the year ended December 31, 1995.

	Balance <u>January 1</u>	Add- itions	Reduction	Balance <u>December 31</u>
Leasehold improvement - Station 43	\$ 110,000	\$ -0-	\$ -0-	\$ 110,000
Land and buildings	254,400	-0-	-0-	254,400
Auto, trucks and equipment	614,582	33,856	17,500	630,938
New fire station	<u>49,986</u>	<u>-0-</u>	<u>-0-</u>	<u>49,986</u>
	<u>\$1,028,968</u>	<u>\$33,856</u>	<u>\$17,500</u>	<u>\$1,045,324</u>

4. CONTINGENT LIABILITY

The Fire Company has not filed for tax-exempt status under Section 501(c) of the Internal Revenue Code, and has not filed any federal income tax returns for 1995 or prior years. As a consequence of its failure to file, the Internal Revenue Service may impose taxes, interest, and penalties against the Organization. The amount the Organization may owe cannot be reasonably estimated, but the effect on its operations could be significant.



LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1995

5. CONSTRUCTION OF NEW FIRE STATION

The Fire Company currently operates from four fire stations located within its district. Several of these facilities were constructed as early as the 1930s. Membership has identified the need for an updated facility.

During the year ended December 31, 1992, the Organization began planning for construction of a new fire station. Construction is expected to begin during 1996. The amount expended to date, \$49,986 has been capitalized and is included in the General Fixed Assets Account Group.

Approximately one half of the cost of the new station is expected to be funded by Jefferson Parish.

6. ECONOMIC DEPENDENCY

Substantially all of the Fire Company's public support is derived from funds provided by Jefferson Parish. At December 31, 1995, the Organization's contract with the Parish to provide fire-fighting and rescue services was expired. However, the Organization continues to receive support from the Parish under the terms of the contract.

7. 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 that ground at a cost of \$110,000. This amount is included in the General Fixed Assets Group.

Additionally, the Fire Company is committed under a lease for photocopying equipment. This lease is considered for accounting purposes to be an operating lease. Lease expense for 1995 was \$2,160. Future minimum lease payments under this lease as follows:

<u>December 31,</u>	<u>Amount</u>
1996	\$2,160
1997	\$2,160

LAFITTE-BARATARIA-CROWN POINT VOLUNTEER FIRE COMPANY

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1995

8. DESIGNATED FUND BALANCE

In order to provide funding for construction of the new fire station discussed in Note 5, the Board of Directors has designated \$200,000 of fund balance for the project.

9. CONTRIBUTED 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.

**UZEE, BUTLER, ARCENEUX & BOWES**

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2067 PAXTON STREET  
HARVEY, LOUISIANA 70058  

---

(504) 347-0441  
FAX (504) 347-0467

DOUGLAS L. UZEE, CPA  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT  
OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To Board of Directors of the  
Lafitte-Barataria-Crown Point Volunteer Fire Company

We have audited the general purpose financial statements of  
Lafitte-Barataria-Crown Point Volunteer Fire Company (the  
Fire Company) as of and for the year ended December 31, 1995,  
and have issued our report thereon dated June 10, 1996.

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.

Compliance with laws, regulations, and contracts applicable to  
the Fire Company is the responsibility of the Fire Company's  
management. As part of obtaining reasonable assurance about  
whether the financial statements are free of material  
misstatement, we performed tests of the Fire Company's  
compliance with certain provisions of laws, regulations, and  
contracts. However, the objective of our audit of the general  
purpose financial statements was not to provide an opinion on  
overall compliance with such provisions. Accordingly, we do  
not express such an opinion.

The results of our tests disclosed no instances of  
noncompliance that are required to be reported herein under  
*Government Auditing Standards*.

This report is intended for the information of the Board of  
Directors, management and the Louisiana Legislative Auditor.  
However, this report is a matter of public record and its  
distribution is not limited.

*Uzee, Butler, Arceneux & Bowes*  
Harvey, Louisiana  
June 25, 1996

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

To Board of Directors of the  
Lafitte-Barataria-Crown Point Volunteer Fire Company

We have audited the general purpose financial statements of the Lafitte-Barataria-Crown Point Volunteer Fire Company (the Fire Company) as of and for the year ended December 31, 1995, and have issued our report thereon dated June 10, 1996.

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.

The management of the Fire Company is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 general purpose 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.

In planning and performing our audit of the general purpose financial statements of the Fire Company, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operations 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 internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Tax Exempt Status - As discussed in Note 4 of the financial statements, the Fire Company has not filed for tax exempt status under section 501(c) of the Internal Revenue Code and has not filed any federal income tax returns for 1995 or prior years. The Fire Company should file all required federal forms immediately.

Collateralization of Deposits - As discussed in Note 2 of the financial statements, cash in banks of approximately \$121,000 is not insured or collateralized. The Fire Company should invest no more than \$100,000 in any one bank in order to take advantage of FDIC insurance.

Purchase Orders - A purchase order system designed to document approval and receipt of goods is in place and being utilized, however there were several instances wherein the purchase order documentation was not able to be located. The Fire Company should adhere to its purchase order procedures in all instances where expenditures are being made.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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.

UZEE, BUTLER, ARCENEUX & BOWES

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 believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors, management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Uzee, Butler, Arceneux & Bowes*

Harvey, Louisiana  
June 25, 1996