

ST. ROSE VOLUNTEER FIRE DEPARTMENT, INC.
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998

ASSETS AND PROVISIONS

	Governmental		Business		TOTAL	
	Fund Type		GROUP		Memorandum \$/¢:	
	General Fund	Special	General	Long-Term	1998	1997
	Fund	Fixed Assets	Liabilities			
Cash	\$ 180,078	\$ -	\$ -	\$ -	\$ 180,078	\$ 174,271
Due from Parish (Item 3)	8,444	-	-	-	8,444	8,328
Fire Protection	-	-	-	-	-	-
- Vehicles	-	473,187	-	-	473,187	473,187
- Equipment	-	488,380	-	-	488,380	488,380
- Buildings	-	388,890	-	-	388,890	388,890
- Land	-	34,150	-	-	34,150	34,150
- Debt retirement provisions	-	-	94,122	-	94,122	110,895
Total assets and provisions	\$ 188,522	\$ 1,384,507	\$ 94,122	\$ -	\$ 1,667,151	\$ 1,606,521

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 21,243	\$ -	\$ -	\$ -	\$ 21,243	\$ 21,243
Other payables (Item 4)	-	-	94,122	-	94,122	110,895
Total Liabilities	21,243	-	94,122	-	115,365	132,138

FUND EQUITY

Fixed asset investments	-	1,186,830	-	-	1,186,830	1,179,830
Fund balance - Unassigned	168,279	-	-	-	168,279	167,681
Total fund equity	168,279	1,186,830	-	-	1,355,109	1,347,511
Total liabilities and fund equity	\$ 189,522	\$ 1,384,507	\$ 94,122	\$ -	\$ 1,670,151	\$ 1,624,032

SEE ACCOMPANYING NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

ST. ROSE VOLUNTARY FIRE DEPARTMENT, INC.
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1996

	1996	1995
REVENUES:		
sales tax - 1/8 cent	\$ 143,486	\$ 138,018
operations and capital improvements millage	69,358	67,268
Fire Insurance rebate	9,690	9,473
Other revenues	4,871	5,293
Total revenues	<u>227,405</u>	<u>220,052</u>
EXPENDITURES:		
Utilities:		
Electricity, water and gas	8,987	4,488
Telephone	2,358	3,458
Equipment:		
Maintenance	18,597	24,887
Fuel	294	277
Insurance	13,456	15,177
Buildings:		
Maintenance	13,758	6,980
Fire fighting supplies	44,398	4,357
Miscellaneous:		
Accounting and auditing	2,088	1,858
Legal fees	1,184	-
Office expenses	1,972	3,482
Meetings and other	52,344	9,473
Don. and subscriptions	322	284
Training	10,835	6,803
Account group activity:		
Equipment purchases	7,388	34,114
Debt retirement	24,988	28,164
Interest	6,458	6,458
Total expenditures	<u>368,348</u>	<u>264,243</u>
EXCESS OF REVENUES OVER EXPENDITURES	69,057	57,235
OPENING FUND BALANCE, JANUARY 1	<u>107,085</u>	<u>49,818</u>
ENDING FUND BALANCE, DECEMBER 31	\$ <u>176,275</u>	\$ <u>107,053</u>

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

ST. ROSE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2006

12) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The St. Rose Volunteer Fire Department, Inc. (Fire Department) receives funding from local and state government sources and must comply with the accounting requirements of these funding source entities. However, the Fire Department is a "primary government" and is not included as a component unit of any other St. Charles Parish governmental "reporting entity" as defined in GASB pronouncements, since the entity is a non-profit corporation, and the board members have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Fire Department includes all activities that are controlled by it as a quasi-public non-profit corporation organized to provide protection to the Parish of St. Charles. The Fire Department has no component units.

The accounting and reporting policies of the Fire Department conform to generally accepted accounting principles as applicable to governmental units.

Fund Accounting

The accounts of the Fire Department are organized on the basis of a fund (General Fund) and account groups, each of which is considered a separate accounting entity. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Fire Department records are maintained on a cash basis of accounting. However, the General Fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures.

Revenues

Sales taxes are recorded in the month the taxes are collected by the St. Charles Parish School Board. Sales taxes become payable to the St. Charles Parish School Board on the first day of the month and become delinquent on the 10th day of the month following incurrence of the taxes by businesses.

ST. ROSE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

11) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues (Continued)

A ten year ad valorem tax issue was dedicated to the operations of the Fire Departments beginning in 1991. Each department is to receive one-ninth of annual collections. Taxes levied in November each year are available for expenditures in the subsequent year.

Interest income on investments is recorded when the investments have matured and income is available. All other revenues are recorded when received.

The majority of the Fire Department's revenues are derived from the one-eighth of one percent sales tax and the ad valorem tax for operations.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which is not recognized until due.

Cash and Cash Equivalents

The department is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. The department may also invest in time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, these deposits must be secured by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. At December 31, 1996, the carrying amount and the bank balances of the department were \$181,354, classified as follows:

Federally insured	\$ 160,260
Uninsured and uncollateralized	21,094
	<u>\$ 181,354</u>

Budgets and Budgetary Accounting

The Fire Department was not required to prepare a budget for the year ended December 31, 1996.

ST. ROSE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1988

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in governmental funds.

Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group, rather than in the General Fund. No depreciation has been provided on fixed assets. Fixed assets are valued at historical cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Long-term liabilities expected to be financed from the General Fund are accounted for in the general long-term liabilities account group.

The two account groups are not "funds". They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

Total Columns

Total columns on the financial statements are captioned "balances only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Fire Department's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

ST. ROSE VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO GENERAL PURPOSES FINANCIAL STATEMENTS (CONTINUOUS)
DECEMBER 31, 1998

(3) SALES TAX REVENUE

Effective March 1, 1990 sales taxes in the amount of one-eightieth of one percent is collected by the St. Charles Parish School Board and administered by the Parish President. The sales tax is to be used for fire protection of the Parish of St. Charles. The funds are distributed monthly by the Parish President to the individual fire departments of the St. Charles Parish Firemen's Association, Inc. Effective September, 1994 the sales tax is distributed on the following basis:

	<u>Monthly Receipt</u>	<u>Percent of Remaining Funds</u>
Barvo Gaudin Volunteer Fire Dept., Inc.	\$2,500	3.21%
Des Allemands Volunteer Fire Dept., Inc.	\$2,500	4.83%
East Side St. Charles Volunteer Fire Dept., Inc.	\$2,500	23.57%
Hahnville Volunteer Fire Dept., Inc.	\$2,500	5.82%
Killona Volunteer Fire Dept., Inc.	\$2,500	1.56%
Luling Volunteer Fire Dept., Inc.	\$2,800	29.88%
Morco Area Volunteer Fire Dept., Inc.	\$2,500	10.51%
Paradis Volunteer Fire Dept., Inc.	\$2,500	4.20%
St. Rose Volunteer Fire Dept., Inc.	\$2,500	17.20%

(3) REVENUE RECEIVABLE

Revenue receivable at December 31, 1998 consists of the Fire Department's share of the 1/8th cent sales tax for the month of November 1998, collected on or before December 20, 1998 by the St. Charles Parish School Board and remitted by St. Charles Parish in January 1999.

An allowance for uncollectible receivables is not recorded by the Fire Department because it considers all receivables collectible at December 31, 1998.

(4) GENERAL LONG-TERM LIABILITIES

The following is a summary of changes in general long-term liabilities during the year ended December 31, 1998:

Long-term liabilities, beginning of period	\$119,495	
Reductions	(24,365)	
Long-term liabilities, end of period	\$ 95,129	

ST. ROSE VOLUNTEER FIRE DEPARTMENT, Inc.
NOTICE TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1998

141 GENERAL LONG-TERM LIABILITIES (CONTINUED)

The annual requirements to amortize liabilities outstanding as of December 31, 1998 are as follows:

<u>Year</u>	
1997	\$ 4,548
1998	21,564
1999	22,846
2000	24,329
2001	<u>20,158</u>
Total	<u>\$ 94,429</u>

Details of long-term debt are as follows:

Note payable to Iberia National Bank collateralized by a 1996 Fire Truck, a 1995 truck, all equipment along with an emergency vehicle, and real estate located in St. Rose, Louisiana, bearing an interest rate of 6%, payable in monthly installments of \$2,188. Due October 24, 2003. \$ 94,429

142 CHANGES IN GENERAL FIXED ASSETS

	<u>Balance</u> <u>1/2/98</u>	<u>Purchases</u> <u>1998</u>	<u>Retirements</u> <u>1998</u>	<u>Balance</u> <u>12/31/98</u>
Fire protection				
Vehicles	\$ 477,181	\$ -	\$ -	\$ 477,181
Equipment	455,098	7,188	-	462,286
Buildings	309,896	-	-	309,896
Land	<u>34,150</u>	<u>-</u>	<u>-</u>	<u>34,150</u>
	<u>\$1,276,325</u>	<u>\$ 7,188</u>	<u>\$ -</u>	<u>\$1,283,513</u>

081 CASH

The Fire Department maintains a separate petty cash account. The petty cash account is funded through public functions held by the Fire Department. Expenditures from this petty cash account are for expenses related to the functions. The amount in the petty cash account was not included in the financial statements and was therefore not subjected to the audit procedures of the financial statements in 1998.

073 RISK MANAGEMENT

The Volunteer Fire Department is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to firemen; and natural disasters. The Volunteer Fire Department carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of these risks.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

St. Rose Volunteer Fire Department, Inc.
P.O. Box 399
St. Rose, Louisiana 70087

We have audited the general purpose financial statements of St. Rose Volunteer Fire Department, Inc. as of and for the year ended December 31, 1996, and have issued our report thereon dated June 4, 1997.

We have conducted our audit in accordance with generally accepted auditing standards, the Louisiana Governmental Audit Guide and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 St. Rose Volunteer Fire Department, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments 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.

St. Rose Volunteer Fire Department, Inc.
June 8, 1997
Page 2

In planning and performing our audit of the general purpose financial statements of St. Rose Volunteer Fire Department, Inc., for the year ended December 31, 1996, 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 judgment, 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.

Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives. The Department is small and therefore it is not feasible to maintain an adequate segregation of duties among accounting personnel.

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 accounts 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.

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.

St. Rose Volunteer Fire Department, Inc.
June 4, 1997
Page 3

We also noted other matters involving the internal control structure and its operation that we have reported to the management of St. Rose Volunteer Fire Department, Inc. in a separate letter dated June 4, 1997.

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

June 4, 1997


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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

St. Rose Volunteer Fire Department, Inc.
P.O. Box 309
St. Rose, Louisiana 70087

We have audited the general purpose financial statements of St. Rose Volunteer Fire Department, Inc. as of and for the year ended December 31, 1996, and have issued our report thereon dated June 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards, the Louisiana Governmental Audit Guide 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 St. Rose Volunteer Fire Department, Inc. is the responsibility of St. Rose Volunteer Fire Department, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of St. Rose Volunteer Fire Department, Inc.'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 under Government Auditing Standards.

We noted certain immaterial instances of noncompliance that we have reported to the management of St. Rose Volunteer Fire Department, Inc. in a separate letter dated June 4, 1997.

Erichsen, Ervand, Cassin & LaForn, c/c

St. Louis Volunteer Fire Department, Inc.
June 4, 1987
Page 2

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

June 4, 1987

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MANAGEMENT LETTER

June 4, 1997

St. Rose Volunteer Fire Department, Inc.
P.O. Box 309
St. Rose, Louisiana 70087

In planning and performing our audit of the financial statements of St. Rose Volunteer Fire Department, Inc. for the year ended December 31, 1996, we considered the Department's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency as well as immaterial instances of non-compliance with laws and regulations which need to be corrected. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. A separate report dated June 4, 1997, contains our report on reportable conditions in the Department's internal control. This letter does not affect our report dated June 4, 1997, on the financial statements of St. Rose Volunteer Fire Department.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Department personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Erickson, Kentel, Canton & LaPorte, LLP
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER POINTS

Investment of Excess Cash

We believe the Department could benefit from reducing the amounts of cash being maintained in low or noninterest-bearing operating accounts. Only minimum balances required for day-to-day operations need be kept in operating accounts, and amounts not needed for operations may be used to reduce borrowings or may be invested on a short-term basis. Effective cash management can increase the return earned on the Department's resources.

Collateralization of Cash Balances

At December 31, 1996, the Department's cash balances in excess of insured amounts were not adequately collateralized. When the account was opened, First American Bank failed to recognize the St. Rose Volunteer Fire Department as a public funds entity. As a result, collateral was not pledged as required by Louisiana Revised Statute 39:1229. First American Bank has corrected its oversight in 1997. We recommend that the Department continually monitor this situation to ensure that all excess deposits are collateralized.



ST. ROSE VOLUNTEER FIRE DEPARTMENT, INC.
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 1994

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or examined, 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: April 11, 1995

Erickson, Krentel, Canton & LaPorte, LLP
 CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

St. Rose Volunteer Fire Department, Inc.
P.O. Box 399
St. Rose, Louisiana 70067

We have audited the accompanying general purpose financial statements of the St. Rose Volunteer Fire Department, Inc. as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the St. Rose Volunteer Fire Department, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the Louisiana Governmental Audit Guide 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 above present fairly, in all material respects, the financial position of the St. Rose Volunteer Fire Department, Inc. as of December 31, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 4, 1997 on our consideration of the St. Rose Volunteer Fire Department, Inc.'s internal control structure and a report dated June 4, 1997 on its compliance with laws and regulations.

June 4, 1997

Erickson, Krentel, Canton & LaPorte, L.L.P.
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