

PARADISE VOLUNTEER FIRE DEPARTMENT, INC.
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 & FUND BALANCE - ALL FUND TYPES
 For the one year ended December 31, 1994

	-Governmental Fund Types-		
	General Fund	Private Contributions Fund	Total (Memorandum \$000)
REVENUES			
Advances tax	\$ 70,853.45	\$ 0.00	\$ 70,853.45
Sales tax	57,692.28	0.00	57,692.28
Fire insurance rebate	3,088.24	0.00	3,088.24
Private contributions	0.00	324.92	324.92
Interest	7,325.80	468.18	7,793.98
Other revenue	<u>3,711.95</u>	<u>0.00</u>	<u>3,711.95</u>
Total revenues	<u>\$143,672.74</u>	<u>\$ 1,193.28</u>	<u>\$144,866.02</u>
EXPENDITURES			
Current:			
Electricity	\$ 4,425.81	\$ 0.00	\$ 4,425.81
Natural gas	507.12	0.00	507.12
Telephone	3,748.86	0.00	3,748.86
Water	391.89	0.00	391.89
Equipment maintenance	2,111.71	0.00	2,111.71
Equipment repair	367.15	0.00	367.15
Fuel	3,396.74	0.00	3,396.74
Equipment insurance	4,198.00	0.00	4,198.00
Building maintenance	2,793.80	0.00	2,793.80
Building insurance	4,328.00	0.00	4,328.00
Training	3,691.29	0.00	3,691.29
Personal small equipment	3,321.96	0.00	3,321.96
Personal insurance	3,998.96	0.00	3,998.96
Fire fighting supplies	449.10	0.00	449.10
Fire protection	2,218.82	0.00	2,218.82
Accounting & auditing	3,808.00	0.00	3,808.00
Fees & subscriptions	78.00	0.00	78.00
Office expenses	3,073.06	0.00	3,073.06
Meeting, refreshment, awards	8,582.74	258.00	8,840.74
Miscellaneous	899.19	339.24	1,238.43
Capital outlay:			
Vehicle purchase	209,965.10	0.00	209,965.10
Equipment purchase	<u>18,083.44</u>	<u>0.00</u>	<u>18,083.44</u>
Total expenditures	<u>\$337,168.83</u>	<u>\$ 573.24</u>	<u>\$337,742.07</u>
Net revenues over expenditures	\$(193,496.13)	\$ 619.04	\$(192,877.09)
FUND BALANCE DECEMBER 1993	<u>205,372.84</u>	<u>18,894.82</u>	<u>224,267.66</u>
FUND BALANCE DECEMBER 1994	<u>\$ 1,876.71</u>	<u>\$ 21,293.86</u>	<u>\$ 23,170.57</u>

The accompanying notes are an integral part of this statement.

TIMOTHY S. KEARNS
 INSTITUTE OF CERTIFIED ACCOUNTANTS
 CERTIFIED PUBLIC ACCOUNTANT

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

**BOARD OF DIRECTORS
 PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**
 Paradise, Louisiana

We have audited the general purpose financial statements of the Paradis Volunteer Department, Inc. as of and for the year ended December 31, 1996, and have issued our report thereon dated June 28, 1997.

We conducted our audit in accordance with generally accepted auditing standards 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.

Compliance with laws, regulations, contracts, and grants applicable to the Paradis Volunteer Department, Inc. is the responsibility of the department's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the department's compliance with certain provisions of laws, regulations, contracts, and grants. 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 test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the department's Board and those governments for which reporting is required. However, this report is a matter of public record and its distribution is not limited.



June 28, 1997

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.

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.

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 noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the general purpose financial statements of the Paradise Volunteer Fire Department, Inc. for the year ended December 31, 1986.

As a material weakness (and reportable condition), the size of the Paradise Volunteer Fire Department, Inc.'s operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

This report is intended for the information of the department's Board and those governments for which reporting is required. However, this report is a matter of public record, and its distribution is not limited.



June 28, 1991

TIMOTHY S. KEARNS
 CHARTERED ACCOUNTANT
 MEMBER OF BUSINESS ADMINISTRATION
 CERTIFIED PUBLIC ACCOUNTANT

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

**BOARD OF DIRECTORS
 PARADISE VOLUNTEER FIRE DEPARTMENT, INC.
 Paradise, Louisiana**

We have audited the general purpose financial statements of the Paradise Volunteer Fire Department, Inc. as of and for the year ended December 31, 1996, and have issued our report thereon dated June 28, 1997.

We conducted our audit in accordance with generally accepted auditing standards 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 the Paradise 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 cost 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 and 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 Paradise Volunteer Fire Department, Inc. as of and 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 operation 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

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

PARADISE VOLUNTARIAN FIRE DEPARTMENT, INC.
Paradis, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1996

Fire Department then borrowed \$150,000.00 from First National Bank of St. Charles to pay the balance. The loan is for six months at 6 1/4%. An interest payment of \$2,500.00 was paid April 30, 1997. Another interest payment of \$2,500.00 and a balloon payment of \$150,000.00 is due July 31, 1997.

NOTE 3. ADVALOREM TAX

Effective July 31, 1990 advalorem tax in the amount of 1.4 mills is collected by the St. Charles Parish Sheriff to be used for the fire protection of the Parish of St. Charles. The funds are distributed when collected to the nine individual fire departments of the St. Charles Parish Firemen's Association, Inc. by the parish's Department of Finance.

NOTE 4. SALES TAX

Effective March 1, 1980 sales tax in the amount of 3/98 is collected by the St. Charles Parish school board to be used for fire protection of the Parish of St. Charles. The funds are distributed monthly to the nine individual fire departments of the St. Charles Parish Firemen's Association, Inc. by the parish's Department of Finance.

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31, 1995	Additions	Deletions	Balance December 31, 1996
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Fire Protection				
Vehicles	\$110,821.50	\$269,845.10	0.00	\$380,666.60
Equipment	338,313.43	18,883.84	0.00	357,197.27
Buildings	66,128.00	0.00	0.00	66,128.00
Furniture	3,284.52	0.00	0.00	3,284.52
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Total	\$518,547.45	\$288,728.94	\$ 0.00	\$807,276.39
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NOTE 6. LEASES

The Fire Department had no capital leases to be recorded as assets and obligations in the accompanying financial statements.

NOTE 7. LITIGATION AND CLAIMS

At December 31, 1996 the Fire Department had no litigation or claims pending.

FRANCIS VOLUNTEER FIRE DEPARTMENT, INC.
Paradis, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1996

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 1996, the Fire Department has cash (book balance) totaling \$ 229,155.15, as follows:

First National Bank of St. Charles	
Checking (interest bearing)	\$ 2,378.88
Savings (interest bearing)	108,246.83
Certification of Deposit	108,600.00
Minerva National Bank	
Checking (interest bearing)	17,500.00
Total	<u>\$ 229,155.15</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must of all times equal the amount on deposit with the fiscal agent. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1996, the Fire Department has \$ 229,155.15 in deposits (collected bank balances). These deposits are secured from risk by \$117,809.88 Federal deposit insurance and by \$108,345.26 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 19:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Fire Department that the fiscal agent failed to pay deposited funds upon demand.

NOTE 3. REVENUE RECEIVABLES

The receivables at December 31, 1996 consisted of sales taxes in the amount of \$ 2,583.82.

NOTE 4. ACCOUNTS PAYABLE

The accounts payable amount of \$212,287.16 includes \$284,793.10 payable for the purchase of a new fire truck. The Fire Department contracted in 1994 with Ferrara Fire Apparatus, Inc. for the manufacture of a truck. The total purchase price of the truck is \$284,800.10. The Fire Department made a payment of \$43,209.88 on September 31, 1996. The truck was substantially complete on December 31, 1996 and delivered shortly thereafter. The Fire Department made a payment of \$44,781.19 on January 31, 1997. The

PARADISE VOLUNTEER FIRE DEPARTMENT, INC.
Paradise, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

Expenditures -

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

K. Memorandum Only columns

The total columns captured "Memorandum Only" 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. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

L. Encumbrances

The Fire Department does not use encumbrance accounting.

M. Cash and cash equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits.

N. Inventories

Physical inventories consist of expendible supplies held for consumption. Because inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

O. Fixed assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Interest cost incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs or estimated cost if historical cost is not available.

P. Long-term obligations

Long-term obligations are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due. The Fire Department had no long-term debt at December 31, 1998 and no related expenditures.

PARADISE VOLUNTEER FIRE DEPARTMENT, INC.
Paradise, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

INTRODUCTION

The Paradise Volunteer Fire Department, Inc. (Fire Department) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 181 (8). The Fire Department is exempt from Federal income tax under section 501(c)(4) of the Internal Revenue Code. Its objective is to provide fire protection to the Parish of St. Charles. At year end the Fire Department employed no employees.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

The accompanying financial statements of the Fire Department have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The Fire Department is not a governmental unit although it receives a substantial amount of its revenue from the St. Charles Parish Council. As a result of a contractual agreement, the Fire Department is accountable to the Parish Council for fiscal matters. The St. Charles Parish Council does not control the governing board, nor management, and it does not influence the operations of the Fire Department. Therefore, the Fire Department reports as an independent reporting entity.

C. Fund accounting

The Fire Department uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

FARROLI VOLUNTEER FIRE DEPARTMENT, INC.
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 1998

ASSETS	-Governmental Fund Types-			Total (Memorandum Only)
	General Fund	Private Contributions Fund	Account Group General Fixed Assets	
Cash	\$ 2,378.48	\$ 27,509.86	\$ 0.00	\$ 29,888.34
Cash - savings	109,246.81	0.00	0.00	109,246.81
Cash - CD	100,800.00	0.00	0.00	100,800.00
Revenue receivable	9,589.82	0.00	0.00	9,589.82
Fire protection vehicles	0.00	0.00	600,786.63	600,786.63
Equipment	0.00	0.00	257,298.00	257,298.00
Building	0.00	0.00	66,128.00	66,128.00
Furniture	0.00	0.00	3,294.52	3,294.52
Total assets	\$221,188.11	\$ 17,509.86	\$221,585.15	\$1,166,178.12
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$211,267.26	\$ 0.00	\$ 0.00	\$ 211,267.26
Total liabilities	211,267.26	0.00	0.00	211,267.26
Fund equity:				
Investment in fixed assets	0.00	0.00	927,585.15	927,585.15
Fund balance - unreserved	9,920.85	17,509.86	0.00	27,430.71
Total fund equity	\$ 9,920.85	\$ 17,509.86	\$221,585.15	\$ 954,995.76
Total liabilities and fund equity	\$221,188.11	\$ 17,509.86	\$221,585.15	\$1,166,178.12

The accompanying notes are an integral part of this statement.

TIMOTHY S. KEARNS
BOARD OF BUSINESS ADMINISTRATION
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT ON THE
GENERAL PURPOSE FINANCIAL STATEMENTS**

**BOARD OF DIRECTORS
PARADIS VOLUNTEER FIRE DEPARTMENT, INC.**
Paradis, Louisiana

We have audited the accompanying general purpose financial statements of the Paradis Volunteer Fire Department, Inc. as of and for the year ended December 31, 1996, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Paradis Volunteer Fire Department, Inc. 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 generally accepted governmental auditing standards contained in the Government Auditing Standards: Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, 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 above present fairly, in all material aspects, the financial position of the Paradis Volunteer Fire Department, Inc. as of December 31, 1996, and the results of 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 28, 1997 on our consideration of the Paradis Volunteer Fire Department, Inc.'s internal control structure and a report dated June 28, 1997 on its compliance with laws and regulations.


June 28, 1997

PARADIS VOLUNTARIAN FIRE DEPARTMENT, INC.
Paradis, Louisiana

General Purpose Financial Statements and
Independent Auditor's Report
As of and for the Year Ended December 31, 1988

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PARADIS VOLUNTEER FIRE DEPARTMENT, INC.

Paradis, Louisiana

*General Purpose Financial Statements and
Independent Auditor's Report
As of and for the Year Ended December 31, 1996*

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 10/15/97

TIMOTHY S. KEARNS
—————
LICENSED IN THE STATE OF LOUISIANA AND THE
CINCINNATI PUBLIC ACCOUNTANT

24 Professional Boulevard
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(504) 885-7400

10/15/97

PARADISE VOLUNTEER FIRE DEPARTMENT, INC.
Paradis, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

The only funds of the Fire Department are classified as governmental fund types. Governmental funds account for the Fire Department's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The governmental funds of the Fire Department include:

General Fund - the general operating fund of the Fire Department that accounts for all financial activity, except those required to be accounted for in other funds.

Private Contributions Fund - a fund that accounts for private contributions made to the Fire Department, along with related revenues. The fund also accounts for expenditures made from these financial resources.

B. Basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The Fire Department's records are maintained on the cash basis of accounting. However, the financial statements have been converted to the modified accrual basis of accounting using 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 and are available to the Fire Department. Sales taxes become payable to the School Board on the first day of the month, and become delinquent on the 10th of the month, following collection of the taxes by the business.

Advalorem taxes are recorded in the year the taxes are collected by the St. Charles Parish Sheriff and are available to the Fire Department. Advalorem taxes are payable to the Sheriff prior to December 31 and become delinquent after that date.

Interest income is recorded when the cash is available to the Fire Department.

All other revenues are recorded when received.