

**Note 2 - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Equipment	Building	Vehicles	Land	Total
Balance, January 1, 1994	\$275,186	\$252,512	\$714,114	\$18,200	\$1,258,012
Additions	22,427	19,188			41,615
Dispositions	(2,126)				(2,126)
Transfers from St. Charles Parish Council	17,842	—	158,162	—	176,004
Balance, December 31, 1994	<u>\$313,329</u>	<u>\$271,620</u>	<u>\$872,276</u>	<u>\$18,200</u>	<u>\$1,475,425</u>

In January 1994, the Department entered into an agreement with the St. Charles Parish Council to acquire title to \$176,049 of equipment purchased by the Parish on behalf of the Department with the proceeds from a general obligation bond used by the Parish. In 1995, the Department recorded the equipment transferred from the Council in the general fixed assets account group.

**Note 3 - LONG TERM OBLIGATIONS**

During 1994, the Department entered into a lease-purchase agreement in the original amount of \$148,612 for a term of five years. At December 31, 1994, the present value of future minimum lease payments discounted at 6.25% totaled \$31,464. The lease consists of one remaining annual payment of \$33,431, consisting of principal and interest which are repayable primarily from tax revenues through the General Fund.

During 1995, the Department financed \$100,000 for a new fire truck at a rate of 7.65%. The loan is to be repaid in 48 installments of \$2,430, consisting of principal and interest.



George W. Bennett

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

To the Board of Directors,  
East Side St. Charles Parish Volunteer Fire Department, Inc.,  
Destoken, Louisiana.

We have audited the general purpose financial statements of East Side St. Charles Parish Volunteer Fire Department, Inc. (the Department) as of December 31, 1996 and for the year then ended, and have issued our report thereon dated May 9, 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 Department is the responsibility of the management of the Department. As part of obtaining reasonable assurance about whether the general purpose 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 to be reported under Government Auditing Standards.

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

*Bougie Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, La.,  
May 9, 1997.

In planning and performing our audit of the general purpose financial statements of the Department 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

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

*Bougeon Bennett, LLC.*

Certified Public Accountants

New Orleans, La.,  
May 9, 1997.



Ernst & Young

**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 the Board of Directors,  
East Side St. Charles Parish Volunteer Fire Department, Inc.,  
Destrehan, Louisiana.

We have audited the general purpose financial statements of East Side St. Charles Parish Volunteer Fire Department, Inc. (the Department) as of December 31, 1996 and for the year then ended, and have issued our report thereon dated May 9, 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. 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 Department 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 recorded 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.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**Note 3 - LONG TERM OBLIGATIONS (Continued)**

The following is a summary of the changes in long-term obligations of the Department for the year ended December 31, 1996:

Long-term obligations, January 1, 1996	\$150,285
Less payments	<u>(32,060)</u>
Long-term obligations, December 31, 1996	<u>\$118,225</u>

The annual requirements for long-term obligations outstanding at December 31, 1996 are as follows:

Year	Principal	Interest	Total
1997	\$ 23,664	\$ 8,927	\$ 32,591
1998	26,117	3,043	29,160
1999	<u>25,608</u>	<u>976</u>	<u>26,584</u>
Totals	<u>\$118,225</u>	<u>\$10,946</u>	<u>\$118,195</u>

**Note 4 - FIRE PROTECTION CONTRACT**

According to a contract entered into by the St. Charles Parish Firemen's Association, Inc. and the St. Charles Parish Council, the volunteer fire department will provide fire protection to the residents of St. Charles Parish. In exchange for the fire protection provided to the Parish, the Department receives a percentage of the one-eighth cent sales tax. The Department receives a monthly base amount of \$2,500 plus 23.57% of the remaining funds. The total revenue under this agreement for the year ended December 31, 1996 was \$391,394.

In 1990 the voters of St. Charles Parish approved a property tax millage of 1.5 mills for the purpose of fire protection. One-sixth of the total property taxes are remitted to the Department by the St. Charles Parish Council. The total property tax for the year ended December 31, 1996 was \$79,833.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Long-Term Obligation (Continued)**

The Long-Term Obligations Account Group is not a "Trust." It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

**i. Accumulated Vacation and Sick Leave**

The Department has no full-time employees. There is no accumulated unpaid vacation and sick leave at December 31, 1995.

**j. Tax Status**

The Department maintains that it qualifies under Section 501(c)(4) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws.

**k. Memorandum Only - Total Column**

The total column on the financial statements are captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations 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.



Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**f. General Fixed Assets**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

**g. Investments**

Investments are stated at cost, which approximates market.

**h. Long-Term Obligations**

The accounting and reporting treatment applied to the long-term obligations associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Fund Accounting (Continued)**

**General Fund** - The General Fund is the general operating fund of the Department. It is used to account for all financial resources.

**c. Basis of Accounting**

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

The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Ad valorem taxes are recognized as revenue in the year they are budgeted by the Parish Council for payment to the Department. Ad valorem taxes for operations and maintenance were first levied in November 1990.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for notes payable principal and interest which are reported as expenditures in the year due.

**d. Operating Budgetary Data**

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

**e. Bad Debts**

The financial statements of the Department contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the General Fund.

**NOTES TO FINANCIAL STATEMENTS****East Side St. Charles Parish  
Volunteer Fire Department, Inc.**

December 31, 1996

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of East Side St. Charles Parish Volunteer Fire Department, Inc. (the Department) conform to generally accepted accounting principles as applicable to governments.

The following is a summary of significant accounting policies:

**a. Reporting Entity**

The Department is organized as a nonprofit quasi-governmental corporation to provide fire protection to the Parish of St. Charles.

The Department has reviewed all of its activities and determined that there are no potential component units which should be included in the financial statements.

**b. Fund Accounting**

The Department uses funds 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.

**Governmental Funds**

Governmental Funds are those through which the governmental functions of the Department are financed. The acquisition, use and balances of the Department's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Department:

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND**

**East Side St. Charles Parish  
Volunteer Fire Department, Inc.**

For the year ended December 31, 1996

<b>Revenues</b>	
Taxes:	
Sales	\$ 191,204
Ad valorem	70,853
Fire insurance rebate	11,790
Miscellaneous:	
Interest earned	13,317
Other	1,042
Total revenues	<u>288,206</u>
<b>Expenditures</b>	
Public safety:	
Other services and charges	41,861
Material and supplies	9,201
Repair and maintenance	26,688
Capital outlay	46,535
Total public safety	<u>124,285</u>
Debt service:	
Principal retirement	52,806
Interest and fiscal charges	10,555
Total debt service	<u>63,361</u>
Total expenditures	<u>187,646</u>
<b>Excess Of Revenues Over Expenditures</b>	<b>101,424</b>
<b>Fund Balance:</b>	
Beginning of year	<u>363,468</u>
End of year	<b>\$ 464,892</b>

See notes to financial statements.

**COMBINED BALANCE SHEET -  
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS**

**East Side St. Charles Parish  
Volunteer Fire Department, Inc.**

December 31, 1996

	Governmental Fund Type General Fund	Account Groups		Total (Millions Only)
		General Fixed Assets	General Long-Term Obligations	
<b>Assets</b>				
Cash	\$ 312,040			\$ 312,040
Certificate of deposit	100,000			100,000
Due from St. Charles Parish Council	41,620			41,620
General fixed assets		\$ 1,476,393		1,476,393
Prepaid insurance	14,472			14,472
Amount to be provided for retirement of general long-term obligations			\$ 107,249	107,249
<b>Totals</b>	<b>\$ 448,132</b>	<b>\$ 1,476,393</b>	<b>\$ 107,249</b>	<b>\$2,031,774</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 3,240			\$ 3,240
Notes payable			\$ 107,249	107,249
<b>Total liabilities</b>	<b>3,240</b>		<b>107,249</b>	<b>110,489</b>
<b>Fund Equity</b>				
Investment in general fixed assets		\$ 1,476,393		1,476,393
Fund balance - Reserved for prepaid expenses	14,472			14,472
Unreserved	490,420			490,420
<b>Total fund equity</b>	<b>494,892</b>	<b>1,476,393</b>		<b>1,941,285</b>
<b>Totals</b>	<b>\$ 448,132</b>	<b>\$ 1,476,393</b>	<b>\$ 107,249</b>	<b>\$2,031,774</b>

See notes to financial statements.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
East Side St. Charles Parish Volunteer Fire Department, Inc.,  
Destrehan, Louisiana.

We have audited the accompanying general purpose financial statements of East Side St. Charles Parish Volunteer Fire Department, Inc. (the Department), a nonprofit corporation, as of and for the year ended December 31, 1996. These general purpose financial statements are the responsibility of the Department'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 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. 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 statements 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 East Side St. Charles Parish 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 May 9, 1997 on our consideration of East Side St. Charles Parish Volunteer Fire Department, Inc.'s internal control structure and a report dated May 9, 1997 on its compliance with laws and regulations.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

New Orleans, La.,  
May 9, 1997.

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December 31, 1986

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*Financial Report*

*East Side St. Charles Parish  
Volunteer Fire Department, Inc.*

*Destrehan, Louisiana*

*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 3/31 16 1997



**Note 5 - COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members for the year ended December 31, 1996.

**Note 6 - CONCENTRATION OF CREDIT RISK**

The Department restricts its cash balances at financial institutions in the St. Charles Parish area. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to \$100,000.

The Department policy requires cash in excess of the FDIC insurance be collateralized by securities held by an unaffiliated bank in the name of the financial institution pledged to the Department. At December 31, 1996, the cash deposits of the Department were fully secured.