ANNUAL FINANCIAL REPORT

EAST SIDE ST. CHARLES PARISH

VOLUNTEER FIRE DEPARTMENT, INC.

FOR THE YEAR ENDED

DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/29/09
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INDEPENDENT AUDITORS’ REPORT

East Side St. Charles Parish Volunteer Fire Department, Inc.
P.O. Box 668
Destrehan, Louisiana 70047

We have audited the accompanying financial statements of the governmental activities and each major fund of the East Side St. Charles Parish Volunteer Fire Department, Inc. (the Fire Department) as of and for the year ended December 31, 2008, which collectively comprise the Fire Department’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fire Department’s management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Louisiana Governmental Audit Guide and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the East Side St. Charles Parish Volunteer Fire Department, Inc. as of December 31, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 17, 2009, on our consideration of the East Side St. Charles Parish Volunteer Fire Department, Inc.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and is important in assessing the results of our audit.
The management's discussion and analysis information on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

June 17, 2009

[Signature]
Certified Public Accountants
REQUIRED SUPPLEMENTARY INFORMATION
This section of the East Side St. Charles Parish Volunteer Fire Department Inc.'s (the Fire Department) annual financial report presents management’s analysis of the Fire Department's financial performance for the year ended December 31, 2008. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

1. The Fire Department’s net assets increased by $184,205.
2. The general revenues of the Fire Department were $630,627.
3. The total expenses of the Fire Department were $446,422.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of two sections: Management’s Discussion and Analysis and audited financial statements. The financial statements also include notes that provide additional detail of the information included in the financial statements.

BASIC FINANCIAL STATEMENTS

The financial statements of the Fire Department report information about the Fire Department using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the Fire Department.

The Statement of Net Assets presents the current and long-term portions of assets and liabilities separately.

The Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities presents information on how the Fire Department’s net assets changed as a result of current period operations.

The following presents condensed financial information of the Fire Department.

**SUMMARY OF NET ASSETS**
**AS OF DECEMBER 31, 2008 AND 2007**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>December 31,</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2007</td>
</tr>
<tr>
<td>Current assets</td>
<td>$ 617,834</td>
<td>$ 466,547</td>
</tr>
<tr>
<td>Capital assets, net of accumulated depreciation</td>
<td>$2,511,761</td>
<td>$2,631,786</td>
</tr>
<tr>
<td>Total assets</td>
<td>$3,129,595</td>
<td>$3,098,333</td>
</tr>
</tbody>
</table>
LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2007</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$79,356</td>
<td>$67,426</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>314,652</td>
<td>479,525</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$394,008</td>
<td>$546,951</td>
</tr>
</tbody>
</table>

NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2007</td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt, as restated</td>
<td>$2,130,076</td>
<td>$2,095,948</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>605,511</td>
<td>455,434</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$2,735,587</td>
<td>$2,551,382</td>
</tr>
</tbody>
</table>

Total assets increased by $31,262 (1%) primarily due to an increase in the Fire Department's cash account.

Total liabilities decreased by $152,943 (28%) primarily due to principle payments made on long-term debt.

Total net assets increased by $184,205 (7%) as a result of operations.

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2007</td>
</tr>
<tr>
<td>General revenues</td>
<td>$630,627</td>
<td>$588,864</td>
</tr>
<tr>
<td>Expenditures/ expenses</td>
<td>(446,422)</td>
<td>(427,850)</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$184,205</td>
<td>$161,014</td>
</tr>
</tbody>
</table>

The change in net assets increased by $23,191 (14%). This is a result of an increase in general revenue, netted with an increase in operating expenses.
EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
DESTREHAN, LOUISIANA

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

CAPITAL ASSETS

Following is a schedule of capital assets, net of accumulated depreciation:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>December 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 131,433</td>
<td>$ 131,433</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>1,434,095</td>
<td>1,481,616</td>
</tr>
<tr>
<td>Equipment</td>
<td>312,692</td>
<td>281,971</td>
</tr>
<tr>
<td>Vehicles</td>
<td>633,541</td>
<td>736,766</td>
</tr>
<tr>
<td><strong>Total capital assets, net of accumulated depreciation</strong></td>
<td><strong>$ 2,511,761</strong></td>
<td><strong>$ 2,631,786</strong></td>
</tr>
</tbody>
</table>

The major additions to capital assets during the year consisted of fire equipment.

LONG-TERM DEBT

At December 31, 2008, the Fire Department has $379,524 in long-term debt which consisted of one note payable to Capital One. During the year, the Fire Department’s long-term debt decreased by $156,314, due to scheduled principle payments.

CONTACTING THE FIRE DEPARTMENT’S MANAGEMENT

This report is designed to provide a general overview of the Fire Department and to demonstrate the Fire Department’s accountability for its finances. If you have any questions about this report or need additional information, please contact Mr. Charles Camp, East Side St. Charles Parish Volunteer Fire Department, Inc., P.O. Box 668, Destrehan, Louisiana 70047.
EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 548,935</td>
</tr>
<tr>
<td>Due from Parish</td>
<td>36,399</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>32,500</td>
</tr>
<tr>
<td>Capital assets, net of accumulated depreciation</td>
<td>2,511,761</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>3,129,595</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>12,323</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>2,161</td>
</tr>
<tr>
<td>Notes payable:</td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>64,872</td>
</tr>
<tr>
<td>Due after one year</td>
<td>314,652</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>394,008</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in capital assets, net of related debt</td>
<td>2,130,076</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>605,511</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$ 2,735,587</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement
EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

FUNCTIONS/PROGRAMS

GOVERNMENTAL ACTIVITIES:
Public safety - fire protection $ 446,422
Total expenses 446,422
Net (expense) from governmental activities (446,422)

GENERAL REVENUES:
Sales tax - 1/8 cent 423,456
Ad valorem tax 160,700
Fire insurance rebate 42,352
Other revenues 4,119
Total general revenues 630,627
Change in net assets 184,205
Net assets - beginning, as restated 2,551,382
Net assets - ending $ 2,735,587

The accompanying notes are an integral part of this statement
EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
BALANCE SHEET
DECEMBER 31, 2008

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$548,935</td>
</tr>
<tr>
<td>Due from Parish</td>
<td>36,399</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>32,500</td>
</tr>
<tr>
<td>Total assets</td>
<td>$617,834</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$12,323</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>12,323</td>
</tr>
<tr>
<td>FUND BALANCE:</td>
<td></td>
</tr>
<tr>
<td>Reserved for prepaid expenses</td>
<td>32,500</td>
</tr>
<tr>
<td>Unreserved</td>
<td>573,011</td>
</tr>
<tr>
<td>Total fund balance</td>
<td>605,511</td>
</tr>
<tr>
<td>Total liabilities and fund balance</td>
<td>$617,834</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement
EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Fund balance - total governmental fund $ 605,511

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 2,511,761

Long term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities (both current and long term) are reported in the Statement of Net Assets.

Accrued interest payable (2,161)
Notes payable (379,524)

Net assets of governmental activities $ 2,735,587

The accompanying notes are an integral part of this statement
EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES:
Sales tax - 1/8 cent $ 423,456
Ad valorem tax 160,700
Fire insurance rebate 42,352
Other revenues 4,119

Total revenues 630,627

EXPENDITURES:
Utilities:
Electricity, water and gas 17,447
Telephone 2,678

Equipment:
Maintenance 31,517
Fuel 7,215
Insurance 18,812

Buildings:
Insurance 21,914
Maintenance 15,546

Firefighting expenditures:
Fire fighting supplies 28,223
Fire prevention 1,600
Insurance 6,357
Training 3,940

Miscellaneous:
Professional services 4,000
Office expenses 9,088
Meetings and other 12,085
Dues and subscriptions 7,403

Capital outlay:
Equipment purchases and building improvements 108,466

Debt repayment:
Debt retirement 156,314
Interest expense 30,238

Total expenditures 482,843

Excess of revenues over expenditures 147,784

FUND BALANCE, BEGINNING OF YEAR 457,727

FUND BALANCE, END OF YEAR $ 605,511

The accompanying notes are an integral part of this statement
EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Net change in fund balance - governmental fund $ 147,784

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of $108,466 were less than depreciation of $228,492 in the current period. (120,026)

Repayments of note principal are reported as financing uses in governmental funds and thus contribute to the reduction in fund balance. In the statement of net assets, however, repayment of debt decreases the long-term liabilities and does not affect the statement of activities. 156,314

Under the modified accrual basis of accounting used in the governmental funds, interest on long-term debt is not recognized until due, rather as it accrues. 133

Change in net assets of governmental activities $ 184,205

The accompanying notes are an integral part of this statement.
EAST SIDE ST. CHARLES PARISH VOLUNTEER FIRE DEPARTMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The East Side St. Charles Parish Volunteer Fire Department, Inc. (Fire Department) receives funding from local and state government sources and must comply with the concomitant 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 fire 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.

Basis of Presentation

The Fire Department's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Fire Department are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements—management’s Discussion and Analysis—for State and Local Governments, issued in June 1999.

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

The Fire Department’s basic financial statements include both government-wide (reporting the Fire Department as a whole) and fund financial statements (reporting the Fire Department’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Fire Department’s fire protection activities and related general administrative services are classified as governmental activities. The Fire Department does not have any business-type activities.
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Government-Wide Financial Statements (GWFS) (continued)

In the government-wide Statement of Net Assets (Exhibit A), the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Fire Department’s net assets are reported in two parts – investment in capital assets and unrestricted net assets.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of the Fire Department’s function. The function is supported by general government revenues (1/8 cent sales tax and ad valorem tax). The Fire Department does not receive related program revenues and operating grants which would reduce gross expenses in the Statement of Activities.

This government-wide focus is on the sustainability of the Fire Department as an entity and the change in the Fire Department’s net assets resulting from current year’s activities.

Basic Financial Statements – Fund Financial Statements (FFS)

The financial transactions of the Fire Department are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The Fire Department’s current operations require the use of only the following fund type:

Governmental Fund:

The focus of the governmental fund’s measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In general, fund balance represents the accumulated expendable resources, which may be used to finance future operations of the Fire Department.

General Fund

The General Fund is the principal fund of the Fire Department and is used to account for the operations of the Fire Department. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Accrual

The governmental activities in the government-wide financial are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

The Fire Department records are maintained on the 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 20th day of the month following incurrence of the taxes by businesses.

An ad valorem issue is dedicated to the operations of the nine volunteer fire departments in St. Charles Parish. The tax millage expires in 2010. 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.
(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (continued)

Revenues (continued)

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.

Cash

The Fire 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 Fire 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.

Custodial credit risk is the risk that in the event of a bank failure, the Fire Department's deposits may not be returned to it. As of December 31, 2008, $209,775 of the Fire Department's bank balance $549,558 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the Fire Department's name $209,775

Budgets and Budgetary Accounting

The Fire Department was not required to prepare a budget for the year ended December 31, 2008.
(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fire Department maintains a threshold level of $500 or more for capitalizing capital assets. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are recorded in the Statement of Net Assets and depreciation is recorded in the Statement of Activities. Since surplus assets are sold for an immaterial amount or scrapped when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>5 - 15 years</td>
</tr>
<tr>
<td>Fire protection vehicles</td>
<td>5 - 15 years</td>
</tr>
<tr>
<td>Fire stations and other buildings</td>
<td>10 - 40 years</td>
</tr>
</tbody>
</table>

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition.

(2) SALES TAX REVENUE

Effective March 1, 1980, sales tax in the amount of one-eighth 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.

For December 31, 2008, the sales tax is distributed on the following basis:

<table>
<thead>
<tr>
<th>Monthly Basis</th>
<th>Percent of Remaining Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1/1/08-12/31/08</td>
</tr>
<tr>
<td>Bayou Gauche Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
<tr>
<td>Des Allemands Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
<tr>
<td>East Side St. Charles Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
<tr>
<td>Hahnville Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
</tbody>
</table>
(2) **SALES TAX REVENUE (CONTINUED)**

<table>
<thead>
<tr>
<th>Monthly Basis</th>
<th>Percent of Remaining Funds 1/1/08-12/31/08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Killona Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
<tr>
<td>Luling Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
<tr>
<td>Norco Area Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
<tr>
<td>Paradis Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
<tr>
<td>St. Rose Volunteer Fire Dept., Inc.</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

(3) **DUE FROM PARISH**

Revenue receivable at December 31, 2008 consists of the Fire Department's share of the 1/8th cent sales tax for the month of November 2008, collected on or before December 20, 2008 by the St. Charles Parish School Board and remitted by St. Charles Parish in January 2009.

An allowance for uncollectible receivables is not recorded by the Fire Department because it considers all receivables collectible at December 31, 2008.

(4) **CAPITAL ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>Balance 01/01/08</th>
<th>Additions 2008</th>
<th>Retirements 2008</th>
<th>Balance 12/31/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire protection vehicles</td>
<td>$1,989,675</td>
<td>$2,933</td>
<td>$</td>
<td>$1,992,608</td>
</tr>
<tr>
<td>Equipment</td>
<td>760,705</td>
<td>105,533</td>
<td>-</td>
<td>866,239</td>
</tr>
<tr>
<td>Buildings</td>
<td>1,768,643</td>
<td>-</td>
<td>-</td>
<td>1,768,643</td>
</tr>
<tr>
<td>Land</td>
<td>131,433</td>
<td>-</td>
<td>-</td>
<td>131,433</td>
</tr>
<tr>
<td></td>
<td>4,650,457</td>
<td>108,466</td>
<td>-</td>
<td>4,758,923</td>
</tr>
</tbody>
</table>

Less: accumulated depreciation | (2,018,670) | (228,492) | - | (2,247,162) |

Total capital assets, net | $2,631,786 | $(120,026) | - | $2,511,761 |

Depreciation expense for the year ended December 31, 2008 was $228,492.
(5) **LONG-TERM DEBT**

<table>
<thead>
<tr>
<th>Balance 01/01/08</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance at 12/31/08</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$535,838</td>
<td>$-</td>
<td>$(156,314)</td>
<td>$379,524</td>
<td>$64,872</td>
</tr>
</tbody>
</table>

Note payable, secured by property, to Capital One Bank, Interest rate is 5.9%. Fire Department to make 120 payments of $7,212.56 with a lump payment of $394,207 due May 3, 2015.

Following is a summary of future principal and interest requirements:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$64,872</td>
<td>$21,679</td>
<td>$86,551</td>
</tr>
<tr>
<td>2010</td>
<td>69,722</td>
<td>16,829</td>
<td>86,551</td>
</tr>
<tr>
<td>2011</td>
<td>73,949</td>
<td>12,602</td>
<td>86,551</td>
</tr>
<tr>
<td>2012</td>
<td>78,432</td>
<td>8,119</td>
<td>86,551</td>
</tr>
<tr>
<td>2013</td>
<td>83,187</td>
<td>3,364</td>
<td>86,551</td>
</tr>
<tr>
<td>2014-2015</td>
<td>9,362</td>
<td>57</td>
<td>9,419</td>
</tr>
</tbody>
</table>

$379,524 $62,650 $442,174

Interest costs incurred and expensed for the year ended December 31, 2008 was $30,105.

(6) **RISK MANAGEMENT**

The 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 Fire Department carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.
(7) LEASE COMMITMENTS

The Fire Department has entered into two operating leases for property with St. Charles Parish at no cost to the department as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Parcel T-1A of Ormond Country Club</td>
<td>Twenty years commencing November 5, 2002</td>
</tr>
<tr>
<td>2. Fire Station, 13902 River Road,</td>
<td>Expires September 1, 2015</td>
</tr>
<tr>
<td>Destrehan including all improvements</td>
<td></td>
</tr>
</tbody>
</table>

(8) PRIOR PERIOD ADJUSTMENT

Net assets on the government-wide financial statements for the year ended December 31, 2007 were adjusted for the following reasons:

- Capital assets that were previously disposed of were erroneously included in capital assets for the year ended December 31, 2007. $ 6,620

Decrease in net assets for the year ended December 31, 2007 $ 6,620
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

East Side St. Charles Volunteer Fire Department, Inc.
P.O. Box 668
Destrehan, Louisiana 70047

We have audited the financial statements of the governmental activities and each major fund of East Side St. Charles Volunteer Fire Department, Inc. (the Fire Department) as of and for the year ended December 31, 2008, which collectively comprise the Fire Department’s basic financial statements and have issued our report thereon dated June 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered East Side St. Charles Volunteer Fire Department, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the East Side St. Charles Volunteer Fire Department, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fire Department's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Fire Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Fire Department's financial statements that is more than inconsequential will not be prevented or detected by the Fire Department's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2008-1 to be a significant deficiency in internal control over financial reporting.
East Side St. Charles Volunteer Fire Department
June 17, 2009

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Fire Department's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiency described above, we consider 2008-1 to be a material weakness.

Compliance

As part of obtaining reasonable assurance about whether the East Side St. Charles Volunteer Fire Department, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

East Side St. Charles Volunteer Fire Department, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Fire Department's response and, accordingly we express no opinion on it.

This report is intended solely for the information and use of East Side St. Charles Volunteer Fire Department, Inc., St. Charles Parish and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 17, 2009

[Signature]
Certified Public Accountants
We have audited the financial statements of East Side St. Charles Parish Volunteer Fire Department, Inc. as of and for the year ended December 31, 2008, and have issued our report thereon dated June 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2008 resulted in an unqualified opinion.

SECTION I SUMMARY OF AUDITORS' REPORTS

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weaknesses _____ Yes _____ No
Significant Deficiencies _____ Yes _____ No

Compliance
Non-Compliance Material to Financial Statements  _____ Yes _____ No

b. Federal Awards: Not Applicable

Internal Control
Material Weaknesses _____ Yes _____ No
Significant Deficiencies _____ Yes _____ No

Type of Opinion on Compliance Unqualified _____ Qualified _____
for Major Programs Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? _____ Yes _____ No

c. Identification of Major Programs: Not Applicable

<table>
<thead>
<tr>
<th>CFDA Number(s)</th>
<th>Name of Federal Program (or Cluster)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

22
Dollar threshold used to distinguish Type A and Type B Programs $____________

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?
___Yes ___No   Not Applicable

SECTION II FINANCIAL STATEMENT FINDINGS

2008-1 Segregation of Duties

Criteria: Safeguarding of assets requires adequate segregation of duties in an effective internal control structure. No one person should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition: Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives regarding cash receipts and disbursements.

Effect: Intentional or unintentional errors could be made and not be detected.

Cause: The Department is small and therefore it is not feasible to maintain an adequate segregation of duties among accounting personnel.

Recommendation: The Board of Directors should remain involved in the day-to-day financial affairs of the Department to provide oversight and independent review functions. The bookkeeper should not be an authorized check signer and should not have access to cash receipts. Instead, someone independent of the bookkeeper should prepare a list of checks received and should make bank deposits. The list would be given to the bookkeeper for general ledger recording.

Management’s Response: Management agrees with the recommendation; however, they feel that because of the small number of personnel in the Department it is not possible to remove the bookkeeper from the depositing and check signing responsibilities. The Board of Directors, however, will continue to monitor and review all financial transactions of the Department.
SECTION I  INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2007-01 Segregation of Duties

Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives relative to cash receipts and disbursements.

The Department is small, and it was determined not to be feasible to maintain adequate segregation of duties. This issue remains unresolved.

SECTION II  INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not Applicable

SECTION III  MANAGEMENT LETTER

Not Applicable