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NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
Financial Statements and Independent Auditor's Report
Year Ended December 31, 1995

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

Release Date 7-24-96

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
As of and for the Year Ended December 31, 1995

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Natalbany Volunteer Fire Department, Inc.
P. O. Box 337
Natalbany, Louisiana 70451

I have audited the accompanying financial statements of Natalbany Volunteer Fire Department, Inc. (Natalbany) (a non-profit organization), Tangipahoa Parish Fire Protection District No. 2 (Tangipahoa) as of and for the year ended December 31, 1995. These financial statements are the responsibility of Natalbany's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

The financial statements referred to above include only the funds appropriated by Tangipahoa to Natalbany, plus certain other transactions. The statements are intended to allow Tangipahoa to monitor the use and application of appropriated funds and should not be used for any other purpose.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position resulting from appropriations and certain transactions of Natalbany as of December 31, 1995, and the results of its operations and cash flows arising from appropriations and certain other transactions for the year then ended in conformity with general accepted accounting principles.


01

Receipt Acknowledged
Legislative Auditor

By



My audit was conducted for the purpose of forming an opinion on the financial statements of Natalbany resulting from appropriations by Tangipahoa and certain other transactions. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


June 15, 1996

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Statement of Assets, Liabilities, and Fund Balance
 Arising from Appropriations and Certain Other Transactions
 As of December 31, 1995

	<u>GENERAL FUND RESTRICTED</u>	<u>LAND, BUILDING & EQUIPMENT FUND RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and cash equivalents (note 1G)	\$36,726.	\$ 6,433.	\$43,159.
Investment in certificate of deposit (note 1H)		3,521.	3,521.
Receivable - parish allocation	30,545.		30,545.
Prepaid insurance	1,589.	149.	1,738.
	-----	-----	-----
Total Current Assets	\$68,860.	\$10,103.	\$78,963.
<u>Restricted asset: (note 1B)</u>			
Security deposits	\$ 314.	\$ 0.	\$ 314.
Investment in C.D. - (note 1H & 1B)	7,128.		7,128.
	-----	-----	-----
Total Restricted Assets	\$ 7,442.	\$ 0.	\$ 7,442.
<u>Property, Plant and Equipment</u>			
Donated vehicle (note 1L)	\$ 0.	\$35,000.	\$35,000.
Less: accumulated depreciation	0.	(18,667.)	(18,667.)
	-----	-----	-----
Net Property Plant and Equipment	\$ 0.	\$16,333.	\$16,333.
<u>Other Assets</u>			
Security deposit	\$ 1,304.	0.	\$ 1,304.
	-----	-----	-----
Total Assets	\$77,606.	\$26,436.	\$104,042.
	=====	=====	=====

See Accompanying Notes to Financial Statements

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Statement of Assets, Liabilities, and Fund Balance
 Arising from Appropriations and Certain Other Transactions
 As of December 31, 1995
 (Continued)

	<u>GENERAL FUND RESTRICTED</u>	<u>LAND, BUILDING & EQUIPMENT FUND RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>
<u>LIABILITIES & FUND BALANCE</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 1,664.	\$ 0.	\$1,664.
Accrued salaries & related benefits	2,492.		2,492.
Payroll taxes payable	1,172.		1,172.
Security deposits payable	300.		300.
Current portion long-term debt (note 3)	4,089.	\$ 4,899.	8,988.
	-----	-----	-----
Total Current Liabilities	\$ 9,717.	\$ 4,899.	\$ 14,616.
<u>Long-Term Liabilities</u>			
Notes payable (note 3)	\$ 18,679.	\$ 41,139.	\$ 59,818.
<u>Fund Balance (Deficit)</u>			
Restricted (note 4)	\$ 49,210.	\$ (19,602.)	\$ 29,608.
	-----	-----	-----
Total Fund Balance	\$ 49,210.	\$ (19,602.)	\$ 29,608.
	-----	-----	-----
Total Liabilities & Fund Balance	\$ 77,606.	\$ 26,436.	\$ 104,042.
	=====	=====	=====

See Accompanying Notes to Financial Statements

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Statement of Support, Revenue, Functional Expenses, and
 Changes in Fund Balances Arising from Appropriations
 and Certain Other Transactions
 For the Year Ended December 31, 1995

	<u>GENERAL FUND RESTRICTED</u>	<u>LAND, BUILDING & EQUIPMENT FUND RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>
<u>SUPPORT & REVENUE</u>			
Appropriations from			
Tangipahoa Parish Fire			
Protection Dist. No. 2			
Ad valorem tax	\$ 69,373.	\$ 0.	\$ 69,373.
Revenue sharing	31,166.		31,166.
Revenue sharing - payback plan	9,570.		9,570.
2% rebate	12,468.		12,468.
Cavenham donation	1,000.		1,000.
Governor's Office of Rural Development-grant	25,000.		25,000.
Interest	1,107.	116.	1,223.
Miscellaneous	202.		202.
Fire service payments	168.		168.
	-----	-----	-----
Total Support and Revenue	\$150,054.	\$ 116.	\$150,170.
	-----	-----	-----
<u>PROGRAM EXPENSES</u>			
Capital expenditures	\$ 38,132.	\$ 1,261.	\$ 39,393.
Interest	224.	2,415.	2,639.
Depreciation		7,000.	7,000.
Dues & subscriptions	299.		299.
Employee benefits	3,594.		3,594.
Gas & oil	3,885.		3,885.
Insurance	11,538.	187.	11,725.
Janitorial	30.		30.
Office supplies	1070.	9.	1,079.
Payroll taxes	3,658.		3,658.
Postage & freight	156.		156.
Professional fees	4,560.		4,560.
Rent	100.		100.
	-----	-----	-----
Subtotal	\$ 67,246.	\$ 10,872.	\$ 78,118.

See Accompanying Notes to Financial Statements

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Statement of Support, Revenue, Functional Expenses, and
 Changes in Fund Balances Arising from Appropriations and Certain
 Other Transactions (Continued)
 For the Year Ended December 31, 1995

	<u>GENERAL FUND RESTRICTED</u>	<u>LAND, BUILDING & EQUIPMENT FUND RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>
<u>EXPENSES (CONTINUED)</u>			
Repairs and maint.	\$ 8,703.	\$ 0.	\$ 8,703.
Salaries & wages	48,225.		48,225.
Supplies	1,746.		1,746.
Telephone	2,764.		2,764.
Training	888.		888.
Uniforms	119.		119.
Utilities	2,971.		2,971.
	-----	-----	-----
Subtotal	\$ 65,416.	\$ 0.	\$ 65,416.
	-----	-----	-----
Total Expenses	\$ 132,662.	\$ 10,872.	\$ 143,534.
	-----	-----	-----
Excess (Deficiency) of Support and Revenue over Expenses	\$ 17,392.	\$ (10,756.)	\$ 6,636.
Fund Balances (Deficit), Beginning of Year	\$ 43,669.	\$ (20,697.)	\$ 22,972.
Fund Transfers	\$ (11,851.)	\$ 11,851.	\$ 0.
	-----	-----	-----
Fund Balances (Deficit), End of Year	\$ 49,210.	\$ (19,602.)	\$ 29,608.
	=====	=====	=====

See Accompanying Notes to Financial Statements

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Statement of Cash Flows
 Total All Funds
 Direct Method
 For the Year Ended December 31, 1995

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from Tangipahoa Parish Fire Protection Dist. No. 2	\$122,577.
Cash paid to suppliers and employees	(150,010.)
State grant	25,000.
Donation	1,000.
Interest received	1,223.
Interest paid	(2,639.)
Miscellaneous income	370.

Total Cash Used By Operating Activities	\$ (2,479.)

CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from loan	\$ 23,025.
Increase in restricted assets	(10.)

Total Cash Provided By Investing Activities	\$ 23,015.

CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of long-term debt	\$ (4,970.)

Total Cash Used by Financing Activities	\$ (4,970.)

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 15,566.
Cash and cash equivalents-beginning of year	27,593.

Cash and cash equivalents-end of year	\$ 43,159.
	=====

See Accompanying Notes to Financial Statements

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Statement of Cash Flows
 Total All Funds
 Direct Method (Continued)
 For the Year Ended December 31, 1995

SCHEDULE RECONCILING EARNINGS TO NET CASH FLOWS
FROM OPERATING ACTIVITIES

Net income (loss)	\$ 6,636.
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation	7,000.
(Increase) decrease in:	
Accounts receivable	(15,537.)
Prepaid insurance	(746.)
Increase (decrease) in:	
Accounts payable	(393.)
Accrued salaries & benefits payable	405.
Accrued payroll taxes payable	156.

	\$ (2,479.)
	=====

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Notes to Financial Statements
As of and For The Year Ended December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Natalbany Volunteer Fire Department, Inc. (Natalbany) and nine other fire departments comprise Tangipahoa Parish Fire Protection District No. 2 (Tangipahoa). Tangipahoa receives ad valorem taxes, state revenue sharing, and 2 per cent fire insurance rebated monies and appropriates these monies, along with interest earnings, to the ten individual fire departments in accordance with an annual agreement. The primary responsibility of each fire department is the prevention and termination of fires which pose a threat to life or property within its areas of responsibility. The secondary responsibility is to respond to any and all calls for assistance from any of the other fire departments in Fire Protection District No. 2.

The annual agreement provides that the appropriation of revenue from Tangipahoa be based upon the square miles served by the individual fire departments, the population within the area served, and the number of fire calls received in a given period. The agreement also requires that the individual fire departments disburse the appropriations exclusively for the purposes of operating, maintaining, and/or purchasing equipment and supplies for their fire department, and for approved salaries. The agreement additionally requires the individual fire departments to present quarterly statements of funds received and expended.

The accompanying financial statements present only the financial activities of Natalbany ensuing from appropriations of Tangipahoa, and certain other revenues. The financial statements are not intended to and do not present the financial position and results of operations in conformity with generally accepted accounting principles.

A. FUND ACCOUNTING

The accounts of Natalbany are established on the basis of funds. Each fund is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. These self-balancing accounts constitute its assets, liabilities, fund equity, revenues, and expenditures. The revenues are accounted for in the individual funds dependent upon the purpose for which the funds are to be expended and the means by which spending activities are regulated.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Notes to Financial Statements (Continued)
As of and For The Year Ended December 31, 1995

B. RESTRICTED ASSETS

Natalbany, based on certain loan covenants, is required to establish and maintain prescribed amounts of cash that can only be used in accordance with the loan resolution security agreement dated March 26, 1983. The account is as follows:

Reserve account-transfers from the general operating account at a rate of not less than \$ 64. monthly shall be made to this account until it reaches the sum of \$7,128. At December 31, 1995, Natalbany had a certificate of deposit in the amount of \$7,128. at a local financial institution restricted for the reserve account.

Natalbany, has entered into an agreement with Bell South Mobility in which employees of the Natalbany Fire Department are eligible to obtain cellular phone services under a governmental rate plan. Natalbany acts as an agent for the employees. All bills will be sent to the agency's address set forth by the agency's office, detailed and separated by mobile phone numbers. It is the agent's responsibility to distribute the phone bills to the applicable employees and receive reimbursement. The Natalbany Fire Department holds full responsibility for all air time, access charges, and any other applicable fees due and payable to Bell South Mobility. Natalbany requires all employees applying for the cellular phone service to pay a deposit of \$100. to be used as reimbursement in case of forfeiture. At December 31, 1995, the cellular phone security deposit account had a balance of \$314.

C. GENERAL FIXED ASSETS

Fixed assets are not reported in the accompanying financial statements because all assets purchased with appropriations from Tangipahoa shall be owned by Tangipahoa as stated in the contract between Tangipahoa and the ten individual fire departments. Fixed assets are expensed at the time of purchase except for a fire truck that was donated to the department.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Notes to Financial Statements (Continued)
As of and For The Year Ended December 31, 1995

D. CAPITAL LEASES

Capital lease obligations are recorded at the present value of the future minimum lease payments discounted at the interest rate implicit in each lease. A corresponding amount is recorded as capital expenditures.

E. BASIS OF ACCOUNTING

The accompanying financial statements of Natalbany are being presented on the accrual basis of accounting as follows:

Revenues

Appropriations from Tangipahoa are recorded when they are appropriated. Essentially all other revenue is recorded as received which basically coincides with when it is earned.

Expenditures

Expenditures are generally recognized under the accrual basis of accounting. Thus, liabilities are recognized when they are incurred not when they become due.

F. BUDGET PRACTICES

Natalbany legally adopted the 1995 budget at the January 1995 business meeting.

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include interest-bearing demand deposits and money market accounts. Cash equivalents also include amounts in time deposits and those investments with remaining maturities of 90 days or less. Cash and cash equivalents are stated at cost, which approximates market, and are insured through the Federal Deposit Insurance Corporation (FDIC).

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Notes to Financial Statements (Continued)
As of and For The Year Ended December 31, 1995

H. INVESTMENTS

Natalbany invests some of its available cash in Certificates of Deposit (CDs) for 12 months. Time deposits with remaining maturities of 90 days or more are considered to be investments. Natalbany maintains its CDs with domestic depositories. At December 31, 1995, Natalbany had a certificate of deposit valued at \$7,128. issued September 07, 1995 and maturing on September 07, 1996, bearing interest at a rate of 5.25%. Natalbany had a second certificate of deposit valued at \$3,521. issued September 07, 1995 and maturing on September 07, 1996, bearing interest at a rate of 5.25%. Both certificates of deposit are considered to be investments and were insured through the Federal Deposit Insurance Corporation (FDIC). Investments are carried at cost which approximates market.

I. INCOME TAXES

Natalbany is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Natalbany is classified by the Internal Revenue Service as other than a private foundation.

J. VACATION AND SICK LEAVE

Depending on their length of service, full-time employees of Natalbany Volunteer Fire Department, Inc. earn seven to fourteen days of vacation leave each year. Unused vacation leave expires at the end of each year. Sick leave is granted by the board on an individual basis.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Notes to Financial Statements (Continued)
As of and For The Year Ended December 31, 1995

K. DONATED MATERIALS AND SERVICES

Natalbany Volunteer Fire Department, Inc. (Natalbany) records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials or equipment, when received, are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt.

No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time in Natalbany's program services.

L. LAND, BUILDING AND EQUIPMENT

On April 23, 1993, Natalbany Volunteer Fire Department, Inc. (Natalbany) was donated a fire truck with an appraised value of \$35,000. The fire truck is being depreciated over 5 years using the straight-line method. The depreciation expense for the donated truck is \$7,000.

2. RETIREMENT SYSTEM

Employees of Natalbany Volunteer Fire Department, Inc. (Natalbany) participate in the Social Security System. Natalbany uses appropriations from Tangipahoa to provide the employer matching portions of the social security contribution. Neither Natalbany nor Tangipahoa has any liability for employee pension benefits.

Full time employees, excluding the Chief, are also participating in a retirement program purchased through a life insurance company. Natalbany pays the monthly premiums on the retirement policy. However, neither Natalbany nor Tangipahoa have any liability for pension benefits paid upon retirement.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Notes to Financial Statements (Continued)
As of and For The Year Ended December 31, 1995

3. LONG-TERM OBLIGATIONS

Natalbany Volunteer Fire Department, Inc. (Natalbany) obtained a loan through the Community Facilities Loans Program from the Farmers Home Administration, United States Department of Agriculture, totaling \$90,000. on October 22, 1982. The loan is payable in two hundred thirty nine consecutive monthly installments of \$594. at an interest rate of 5%. The loan is collateralized by a chattel mortgage dated June 16, 1983 on one 1983 F-702 Ford fire truck and its related equipment. Natalbany has also pledged and assigned all of its income of whatever nature and/or source to the faithful payment and security for the payment of the mortgage. The loan was sold to General Electric Capital Corporation (GECC) in 1987. At December 31, 1995, the balance of this loan was \$46,038. Of this amount, \$41,139. represents long term debt. Total interest expense for the year ended December 31, 1995 was \$2,415.

Maturities on long term debt are as follows:

Year ended December 31	Amount
1997	5,189.
1998	5,454.
1999	5,733.
2000	6,027.
2001	6,335.
2002	6,659.
2003	5,742.

	\$41,139.
	=====

On October 31, 1995, Natalbany obtained an additional loan from Community State Bank in the amount of \$23,025. The proceeds from this loan is being used to build a second fire station and is payable over a five year period with monthly payments of \$456. At December 31, 1995, the balance of this loan was \$22,768. Of this amount, \$18,679 represents long term debt. Total interest expense for the year ended December 31, 1995 was \$224.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Notes to Financial Statements (Continued)
 As of and For The Year Ended December 31, 1995

Maturities on long term debt are as follows:

Year ended December 31	Amount
1997	4,292
1998	4,604
1999	4,940
2000	4,843

	\$18,679
	=====

4. **FUND BALANCE**

The fund balance is restricted to the same donor restrictions placed on the appropriations by Tangipahoa Parish Fire Protection District No. 2, namely funds may only be expended for the purpose of operating, maintaining, and/or purchasing of equipment and supplies subject to the public bid law for Natalbany. Additionally, the money may be expended for salaries if approved by Tangipahoa.

5. **LEASES**

Natalbany is subleasing the land on which the fire station sits from Tangipahoa, a related party. Tangipahoa has the lease with a corporation for 25 years with an option to renew for an additional 25 years for \$50. per year. The lease began on April 01, 1981. All terms of Tangipahoa's lease with the corporation are binding on Natalbany. The lease requires Natalbany to pay property taxes on the property. The property reverts to the corporation at the expiration of the lease. The rental expense for the current year is \$50.

The future minimum lease payments are as follows:

1996	50.
1997	50.
1998	50.
1999	50.
2000	50.
2001-2005	250.

	\$500.
	=====

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Notes to Financial Statements (Continued)
 As of and For The Year Ended December 31, 1995

In a separate lease agreement, Natalbany is subleasing from Tangipahoa, a related party, land on which a second fire station will be erected. Tangipahoa has the lease with an individual for 50 years with an option to renew for an additional 50 years for \$50. per year. The lease began on June 24, 1992. All terms of Tangipahoa's lease with the individual are binding on Natalbany. The lease requires Natalbany to pay property taxes on the property. The property reverts to the individual at the expiration of the lease. The first rent payment was due June 24, 1993. The rental expense for the current year is \$50.

The future minimum lease payments are as follows:

1996	50.
1997	50.
1998	50.
1999	50.
2000	50.
2001-2043	2,100.

	\$2,350.
	=====

7. **GRANTS**

Natalbany received a \$25,000. grant from the Governor's Office of Rural Development. Natalbany has met all requirements of the grant up to the present time. The only restriction of the grant remaining is that documents and fiscal reports pertaining to the grant be retained for three years from the date of the grant application.

8. **RESERVE REQUIREMENTS**

The loan covenant requires reserve account transfers from the general operating account at a rate of not less than \$64. monthly to the reserve account until the reserve account reaches the sum of \$7,128.

Reserved Certificate of Deposit	\$7,128.
Deposits Required	7,128.

Underfunded @ 12/31/95	0.
	=====

SUPPLEMENTARY INFORMATION

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Schedule of Support, Revenue, Functional Expenses, and
 Changes in Fund Balances Arising from Appropriations
 and Certain Other Transactions-Actual and Budget
 For the Year Ended December 31, 1995

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVOR)</u>
<u>SUPPORT & REVENUE</u>			
Appropriations from Tangipahoa Parish			
Fire Protection District No. 2			
Ad valorem tax	\$ 69,373.	\$ 64,395.	\$ 4,978.
Revenue sharing	31,166.	20,607.	10,559.
2% rebate	12,468.	12,467.	1.
Revenue sharing-payback plan	9,570.	9,570.	0.
Dept. of Agriculture & Forestry grant	1,000.	1,000.	0.
Governor's Office of Rural Development	25,000.	25,000.	0.
Interest	1,223.	800.	423.
Miscellaneous	202.	0.	202.
Fire service payments	168.	0.	168.
	-----	-----	-----
Total Support & Revenue	\$150,170.	\$133,839.	\$ 16,331.
	-----	-----	-----
<u>PROGRAM EXPENSES</u>			
Capital expenditures	\$ 39,393.	\$ 39,688.	\$ 295.
Interest	2,639.	3,270.	631.
Depreciation	7,000.	7,000.	0.
Dues & subscriptions	299.	331.	32.
Employee benefits	3,594.	3,722.	128.
Gas & oil	3,885.	3,800.	(85.)
Insurance	11,725.	17,819.	6,094.
Janitorial	30.	60.	30.
Office supplies	1,079.	1,100.	21.
Outside services	0.	150.	150.
Payroll taxes	3,658.	3,630.	(28.)
Postage & freight	156.	160.	4.
Professional fees	4,560.	4,575.	15.
Rent	100.	100.	0.
Repairs & maintenance	8,703.	9,174.	471.
Salaries & wages	48,225.	48,300.	75.
Supplies	1,746.	1,821.	75.
Telephone	2,764.	2,300.	(464.)
Training	888.	736.	(152.)
Uniforms	119.	120.	1.
Utilities	2,971.	3,037.	66.
	-----	-----	-----
Total Expenses	\$143,534.	\$150,893.	\$ 7,359.
	-----	-----	-----

See Accountant's Report

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Schedule of Support, Revenue, Functional Expenses, and
 Changes in Fund Balances Arising from Appropriations
 and Certain Other Transactions-Actual and Budget (Continued)
 For the Year Ended December 31, 1995

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVOR)</u>
Excess (Deficiency) of Support and Revenue over Expenses	\$ 6,636.	\$ (17,054.)	\$ 23,690.
Fund Balance (Deficit) at Beginning of Year	23,831.	23,831.	0.
	-----	-----	-----
Fund Balance (Deficit) at End of Year	\$ 30,467.	\$ 6,777.	\$23,690.
	=====	=====	=====

See Accountant's Report

Internal Control Structure and Compliance Reports
December 31, 1995

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504)542-4155

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

Board of Directors
Natalbany Volunteer Fire Department, Inc.
P. O. Box 337
Natalbany, Louisiana 70451

I have audited the financial statements of Natalbany Volunteer Fire Department, Inc. (Natalbany) (a non-profit organization) as of and for the year ended December 31, 1995, and have issued my report thereon dated June 15, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Natalbany 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 a 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 financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of Natalbany for the year ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My 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 and irregularities in amounts that would be material in relation to the financial statements being audited many occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

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



June 15, 1996

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504) 542-4155

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

Board of Directors
Natalbany Volunteer Fire Department, Inc.
P. O. Box 337
Natalbany, Louisiana 70451


I have audited the financial statements of Natalbany Volunteer Fire Department, Inc. (Natalbany) (a non-profit organization) as of and for the year ended December 31, 1995, and have issued my report thereon dated June 15, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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


June 15, 1996