

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 and irregularities in amounts that would be material in relation to the 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 the Board of Directors, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Boylan, Hoopmann, Boyer & Braden LLP*

TERRITORY FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

2. CASH:

Deposits are carried at cost. All accounts are interest-bearing. Funds deposited from millage income are designated as "special" and can be disbursed only for operating expenses of the Fire Department.

The Fire Department maintains cash balances at several financial institutions in the New Orleans area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Balances in excess of FDIC insurance are unsecured and uncollateralized. Following is a schedule of uninsured bank balances at June 30, 1998:

<u>Institution</u>	<u>Bank Balance June 30, 1998</u>	<u>Less:FDIC Insurance</u>	<u>Uninsured Bank Balance June 30, 1998</u>
Bank One	\$183,946	\$ 100,000	\$ 83,946
Windsor National Bank	182,170	100,000	82,170
Hibernia National Bank	177,750	100,000	77,750
Algiers Homestead Association	162,180	100,000	62,180
	<u>\$605,046</u>	<u>\$ 400,000</u>	<u>\$ 205,046</u>

Following is a schedule of cash balances in financial institutions at June 30, 1998:

Petty cash	\$ 150
Hibernia National Bank (formerly First National Bank of Jefferson Parish): Special account Payroll account - special	150,523 8,182
Jefferson Federal Savings Bank: Regular Social	11,068 10,608
Windsor National Bank: Eagle	57,896
Gulf Coast Bank & Trust: Ladies auxiliary account	2,615
Total	<u>\$230,612</u>

3. INVESTMENTS:

The Fire Department invests in certificates of deposits held by financial institutions and other investments held by Merrill Lynch. All investments are recorded at cost. Following is a schedule of the investments at June 30, 1998:



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STATE OF MISSISSIPPI  
ONE NINE EIGHTY SEVEN J. P. W.  
THE HONORABLE CLARENCE J. W.  
CLARENCE J. W. J. P. W.

STATE OF MISSISSIPPI  
ONE NINE EIGHTY SEVEN J. P. W.  
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CLARENCE J. W. J. P. W.

STATE OF MISSISSIPPI  
ONE NINE EIGHTY SEVEN J. P. W.  
THE HONORABLE CLARENCE J. W.  
CLARENCE J. W. J. P. W.

## INDEPENDENT AUDITOR'S REPORT

August 16, 1996

Board of Directors  
Terrytown Fifth District  
Volunteer Fire Department, Inc.  
341 Heritage Avenue  
P. O. Box 1233  
Breaux, Louisiana 70853

We have audited the accompanying statement of financial position - cash basis of the Terrytown Fifth District Volunteer Fire Department, Inc. as of June 30, 1996 and the related statement of activities - cash basis for the year then ended. These financial statements are the responsibility of the Fire Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the Fire Department prepared its financial statements on the basis of cash receipts and disbursements except that the statements include a provision for depreciation of buildings and equipment. This basis is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the statements mentioned above present fairly the financial position of the Terrytown Fifth District Volunteer Fire Department, Inc. as of June 30, 1996, and its change in net assets for the year then ended on the basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 10-12 is presented for the purpose 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated August 18, 1995 on our consideration of the Fire Department's internal control structure and a report dated August 18, 1995 on its compliance with laws and regulations.

*Deloitte, Haysman, Hooper & Koster LLP*

TERRYDALE FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
STATEMENT OF FINANCIAL POSITION - CASH BASIS  
JUNE 30, 1996

ASSETS

<b>CURRENT ASSETS:</b>	
Cash in banks and on hand (Note 1)	\$ 258,819
Cash in savings accounts and short term investments (Note 3)	<u>1,067,502</u>
Total current assets	<u>1,326,321</u>
<b>PROPERTY AND EQUIPMENT: (Note 1)</b>	
Land	33,500
Buildings and improvements	1,028,751
Machinery and equipment	458,157
Furniture and fixtures	68,641
	<u>1,590,051</u>
Less accumulated depreciation	<u>1,029,558</u>
Total property and equipment	<u>560,493</u>
<b>OTHER ASSETS:</b>	
Water deposits	75
Investments (Note 3)	<u>25,049</u>
Total other assets	<u>25,124</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,982,384</u></b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>	
Payroll taxes payable	\$ 924
<b>NET ASSETS: (Note 1)</b>	
Unrestricted	<u>1,981,460</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>1,982,384</u></b>

See accompanying notes.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 1988

## UNRESTRICTED NET ASSETS:

Revenue: (Note 1)	
Jefferson Parish millage	\$ 996,800
Fire insurance rebate	47,793
Jefferson Parish rebate	15,913
Chauffeurs fund	36,800
Interest income	44,437
Voluntary contributions	38,433
Dues - members	718
Social fund income	5,178
Ladies auxiliary	9,592
Vice President's account	7,500
Other income	46,134
Miscellaneous income	8,528
Total revenue	<u>1,285,894</u>
Expenses:	
Administration (Page 18)	48,560
Firefighting (Page 10)	609,413
Fundraising (Page 18)	16,800
Total expenses	<u>1,664,602</u>
INCREASE IN UNRESTRICTED NET ASSETS	600,400
NET ASSETS - BEGINNING	<u>1,731,033</u>
NET ASSETS - ENDING	\$ <u>1,831,410</u>

See accompanying notes.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the Fire Department's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Description of Business Activities:

Under the terms of a 10-year contract with Jefferson Parish which is in effect until March 31, 2004, the Fire Department agrees to provide fire protection and related services and facilities to the entire portion of Fire Protection District No. 5 which includes Terrytown and adjoining unincorporated portions of Jefferson Parish.

Basis of Accounting:

The Fire Department's accounting system is maintained on the basis of cash receipts and disbursements.

Revenues:

Under the present agreement with Jefferson Parish, the Parish pays the Fire Department monthly installments which represent the net proceeds of millage levied annually on the assessed valuation of property in the Fifth Fire Protection District. In addition, the Fire Department receives quarterly and monthly subsidies per fire station.

Property, Equipment and Depreciation:

Property and equipment, consisting of fire stations and residences, furniture, fixtures and equipment, are carried at cost and are being depreciated using the straight line method over their estimated useful lives ranging from five to eighteen years. Depreciation expense for the year ending June 30, 1996 was \$110,328.

Property and equipment does not include vehicles donated by the Fire Department to Jefferson Parish. The Fire Department receives subsidies from Jefferson Parish for the purchase of fire trucks. The trucks are purchased by the Fire Department and donated to the Parish. Historically, the cost of the trucks donated has been offset against the subsidies provided by the parish. Jefferson Parish provides insurance on the Fire trucks.

For the year ended June 30, 1996, the total purchases of property and equipment was \$187,793.

Financial Statement Presentation:

The Fire Department has adopted Statement of Financial Accounting Standards (SFAS) No. 313, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 137, the Fire Department is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted assets. At June 30, 1996, the Fire Department has only unrestricted net assets.

TERRYTON FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.

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JUNE 30, 1995

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TOWNSHIP FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

3. INVESTMENTS: (Continued)Maturity within one year

Merrill Lynch - DM Money Account	\$ 53,144
Fifth District Homestead: Savings account (2.5% interest rate)	71,122
Delta Bank and Trust: Special - Savings account (2.25% interest rate)	79,588
Gulf Coast Bank: Savings account (3% interest rate)	81,162
Whitney National Bank: Certificate of deposit (matures 08-22-98; 4.85% interest rate)	44,274
Bank One (formerly Premier Bank): Certificate of deposit (matures 09-15-98; 4.60% interest rate)	58,873
Certificate of deposit (matures 11-02-98; 4.45% interest rate)	24,473
Biglers Homestead Association Special Certificate of deposit (matures 11-08-98; 4.81% interest rate)	55,846
Certificate of deposit (matures 12-6-98; 4.93% interest rate)	42,213
Certificate of deposit (matures 11-18-98; 4.50% interest rate)	34,130
Eureka Homestead: Certificate of deposit (matures 10-09-98; 4.74% interest rate)	34,920
Certificate of deposit (matures 12-22-98; 5.00% interest rate)	54,783
Jefferson Guaranty Bank: Certificate of deposit (matures 12-12-98; 5.5% interest rate)	78,626
Jefferson Federal Savings Bank: Certificate of deposit (matures 11-02-98; 4.50% interest rate)	45,083
First National Bank of Commerce: Special Certificate of deposit (matures 12-18-98; 3.00% interest rate)	75,080

TOWNTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
PERIOD ENDING 1996

3. INVESTMENTS: (Continued)Maturity within one year (Continued)

Regions Bank (formerly Secor Federal Savings Bank): Certificate of deposit (matures 10-03-96; 4.400% interest rate)	75,000
Bryden Savings Bank Certificate of deposit (matures 12-6-96; 4.84% interest rate)	90,624
Gulf South Bank and Trust Co. Certificate of Deposit (matures 6-6-97; 4.75% interest rate)	<u>25,286</u>
Total maturity within one year	<u>\$1,087,302</u>

Maturity over one year

GNMA (matures 2003; 6.5% interest rate)	\$ 2,416
GNMA (matures 2003; 6.5% interest rate)	1,609
GNMA (matures 2003; 6.5% interest rate)	3,653
GNMA (matures 2003; 6.5% interest rate)	3,796
GNMA (matures 2001; 6.5% interest rate)	8,233
GNMA (matures 2002; 6.5% interest rate)	<u>2,922</u>
Total maturity over one year	<u>\$ 23,049</u>

At June 30, 1996, the market value of the GNMA's owned by the Fire Department was \$23,432. This resulted in an unrealized gain in the amount of \$423 at June 30, 1996.

4. INCOME TAXES:

The Fire Department is exempt from income taxes under Internal Revenue Code Sec. 501(c)(13), which exempts volunteer fire departments.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1996

5. LAWSUITS:

The Fire Department is presently involved in a lawsuit filed against the State of Louisiana and a paid employee of the Fire Department. This litigation was instituted by the Fire Department on October 30, 1990 to challenge claims by their paid employee that employees of volunteer fire departments are beneficiaries of the firefighter minimum wage law. That law establishes statutory standards for such things as vacation time, sick leave time and holiday pay. The attorneys representing the Fire Department evaluate the chance for success in the litigation to be 30%.

6. PENSION PLAN:

Effective July 1, 1991, the Fire Department adopted a defined contribution pension plan in accordance with Internal Revenue Code Section 403(b). The plan allows individuals, employed over twelve months, that complete 1,000 hours of service and have reached 21 years of age, to defer up to 20% of their compensation, subject to limitations. The Fire Department makes non-ferforfeitable contributions amounting to 3% of the compensation for those eligible employees that elect to participate in the plan by making salary reduction contributions. Pension plan expense for the year ended June 30, 1996 was \$10,516.

7. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and income and expenses during the reporting period. Actual results could differ from these estimates.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Generally accepted accounting principles require the disclosure of fair value of financial instruments for which it is considered practicable to estimate fair value. The following methods and assumptions were used by the Department in estimating the fair value of its financial instruments at June 30, 1996:

a) Cash and short-term investments:

For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

b) Investments:

For these long-term financial instruments, market value is a reasonable estimate of fair value.

The estimated fair values of financial assets and financial liabilities at June 30, 1996 are as follows:

	Carrying Amount	Fair Value
Financial assets:		
Cash and short-term investments	\$1,318,121	\$1,318,121
Investments	\$ 23,049	\$ 23,422

TERRITORY FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS  
 FOR THE YEAR ENDED JUNE 30, 1988

	ADMINISTRATION	FIRE/FIGHTING	EMBROIDERING	TOTAL
Accounting	\$ 1,154	\$ 1,155	\$ --	\$ 2,309
Advertising and promotion	444	--	--	444
Autoer gear	--	8,097	--	8,097
Casualty losses	--	1,000	--	1,000
Convention expense	1,235	--	--	1,235
Depreciation	3,159	197,129	--	199,288
Dues and subscriptions	4,378	--	--	4,378
Emergency operations	--	528	--	528
Fire prevention expense	--	9,828	--	9,828
Fuel	--	8,396	--	8,396
Insurance - employees	3,592	118,857	--	122,449
Insurance - general	825	21,276	--	22,101
Insurance - vehicles	--	2,449	--	2,449
Labor - salaries - wages	13,640	495,631	--	609,271
Ladies auxiliary expense	--	--	8,947	8,947
Legal	17	578	--	595
Licenses and taxes	38	--	--	38
Medical expense - employees	135	4,607	--	4,742
Medical supplies	--	76	--	76
Meetings	49	1,831	--	1,880
Membership expense	--	23,176	--	23,176
Miscellaneous expense	88	2,561	--	2,649
Office expense and supplies	7,037	--	--	7,037
Payroll taxes	3,181	38,878	--	42,059
Pension plan expense	387	16,268	--	16,655
Pest control	46	1,333	--	1,379
Photo lab expense	--	1,618	--	1,618
Postage	1,944	--	--	1,944
Repairs and maintenance	--	97,550	--	97,550
Social fund expense	--	--	3,874	3,874
Supplies - cleaning	67	2,298	--	2,365
Supplies - other	--	20,331	--	20,331
Telephones - firehouses	124	4,144	--	4,268
Training expenses	--	1,866	--	1,866
Uniforms and badges	--	3,580	--	3,580
Utilities and telephone - residences	--	8,321	--	8,321
Utilities - firehouses - heritage	438	13,925	--	14,363
Utilities - firehouses - other	--	21,077	--	21,077
Vice President's account expense	--	--	1,928	1,928
Video expense	--	251	--	251
Voluntary contribution expense	--	--	2,114	2,114
Waste control	--	1,358	--	1,358
<b>TOTAL</b>	<b>\$ 48,901</b>	<b>\$ 989,433</b>	<b>\$ 18,892</b>	<b>\$ 1,057,226</b>

TERRITOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF REVENUE COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 SPECIAL FUND  
 FOR THE YEAR ENDED JUNE 30, 1998

## REVENUE:

Jefferson Parish millage	3	906,000
Fire insurance rebate		43,771
Jefferson Parish sales tax rebate		15,073
Chief's fund		30,000
Interest income		40,641
Miscellaneous		40,581
Total revenue		<u>1,185,996</u>

## OPERATING EXPENSES:

Accounting	2,310
Advertising and promotion	444
Busier gear	8,800
Casualty losses	1,800
Convention expense	2,542
Dues and subscriptions	4,370
Emergency operations	506
Fuel	6,366
Fire prevention expense	4,526
Insurance expense - general	22,206
Insurance - employees	122,889
Labor - salaries - wages	468,234
Legal	683
Licenses and taxes	38
Membership expense	182
Medical expense/supplies	4,778
Miscellaneous expense	2,149
Meetings	1,642
Office expense/supplies	6,804
Payroll taxes	37,973
Photo lab expense	1,515
Pension plan expense	30,576
Pest control	1,577
Postage	1,105
Repairs and maintenance radios	3,798
Repairs and maintenance roadblock	840
Repairs and maintenance fire houses	38,748
Repairs and maintenance fire equipment	69,896
Repairs and maintenance Chief's car	443
Repairs and maintenance utility truck	858
Repairs and maintenance station equipment	2,876
Repairs & maintenance car #599	559

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
FOR THE YEAR ENDED JUNE 30, 1998

August 18, 1998

Board of Directors  
Terrytown Fifth District  
Volunteer Fire Department, Inc.  
341 Heritage Avenue  
P.O. Box 1231  
Gretna, La. 70053

We have audited the financial statements of Terrytown Fifth District Volunteer Fire Department, Inc. (a nonprofit organization) as of and for the year ended June 30, 1998 and have issued our report thereon dated August 18, 1998.

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 financial statements are free of material misstatement.

The management of the Fire 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 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 our audit of the financial statements of the Terrytown Fifth District Volunteer Fire Department, Inc. for the year ended June 30, 1998, 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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R E P O R T

TEMBERTON FIFTH DISTRICT  
VOLUNTEER FIRE DEPARTMENT, INC.

JUNE 30, 1956

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 OCT 16 1956

HERRYDAM FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF REVENUE COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 SPECIAL FUND  
 FOR THE YEAR ENDED JUNE 30, 1990

## OPERATING EXPENSES: (Continued)

Supplies - fire fighting	\$ 6,709
Supplies - shop maintenance	2,199
Supplies - cleaning	2,306
Supplies - firehouses	11,374
Telephone - firehouses	4,260
Training expense	1,066
Uniforms and badges	7,257
Utilities - firehouses	35,410
Utilities and telephone - residence	8,323
Waste control	1,954
Bideo expense	263
Depreciation expense	130,558
Total operating expenses	<u>280,542</u>

NET REVENUE	\$ <u>185,294</u>
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TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.,  
 INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND  
 REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
 PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
 FOR THE YEAR ENDED JUNE 30, 1996

August 15, 1996

Board of Directors  
 Terrytown Fifth District  
 Volunteer Fire Department, Inc.  
 343 Heritage Avenue  
 P.O. Box 1201  
 Gretna, LA 70055

We have audited the financial statements of Terrytown Fifth District Volunteer Fire Department, Inc. (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated August 16, 1996.

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 financial statements are free of material misstatement.

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

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

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

*Explainer, Harrison, Hogan & Maden LLP*