

STANDARD 100-33



**NAVALBANY VOLUNTEERS FIRE DEPARTMENT, INC.**  
 Financial Statements and Independent Auditor's Reports  
 As of and for the Year Ended December 31, 1994

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or equivalent, and other appropriate public officials. You may be notified for public inspection at the Bureau through office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/13/94

ONTARIO VOLUNTARY FIRE DEPARTMENT, INC.  
 TORONTO PARISH FIRE PROTECTION DISTRICT NO. 2  
 As of and for the Year Ended December 31, 1994

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INDEPENDENT AUDITOR'S REPORT

The Honorable Emmett J. Ferrillous, Fire Chief,  
and Members of the Board of Directors  
Metairie Volunteer Fire Department, Inc.  
P. O. Box 387  
Metairie, Louisiana 70451

I have audited the accompanying financial statements of Metairie Volunteer Fire Department, Inc. (Metairie) (a non-profit organization), Tangipahoa Parish Fire Protection District No. 2 (Tangipahoa) as of and for the year ended December 31, 1984. These financial statements are the responsibility of Metairie'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 Metairie, 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 Metairie as of December 31, 1984, 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.

Independent Auditor's Report

My audit was conducted for the purpose of forming an opinion on the financial statements of Natalsey 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.

In accordance with Government Auditing Standards, I have also issued a report dated June 18, 1997, on my consideration of Natalsey's internal control structure and a report dated June 18, 1997, on its compliance with laws and regulations.



Monroe, Louisiana  
June 18, 1997

**NATALMANY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANGIPAHOLA PARISH FIRE PROTECTION DISTRICT NO. 2**

Balance Sheet

Arising from Appropriations and Certain Other Transactions  
 December 31, 1994

	<b>GENERAL FUND RESTRICTED</b>	<b>LAND, BUILDINGS &amp; EQUIPMENT FUND RESTRICTED</b>	<b>TOTAL MEMORANDUM ONLY</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 4,840.	\$ 4,667.	\$ 9,507.
Investment in certificate of deposit		3,706.	3,706.
Receivable - parish allocation	125,979.	0.	125,979.
Prepaid insurance	3,729.	0.	3,729.
<b>Total Current Assets</b>	<b>\$138,347.</b>	<b>\$ 7,773.</b>	<b>\$146,120.</b>
<b>Restricted asset:</b>			
Security deposits investment in C.D.	\$ 425.	\$ 0.	\$ 425.
	9,563.		9,563.
<b>Total Restricted Assets</b>	<b>\$ 9,988.</b>	<b>\$ 0.</b>	<b>\$ 9,988.</b>
<b>Property, Plant and Equipment</b>			
Donated vehicle	\$ 0.	\$35,880.	\$ 35,880.
Less: accumulated depreciation	0.	(28,647.1)	(28,647.1)
<b>Net Property Plant and Equipment</b>	<b>\$ 0.</b>	<b>\$ 7,233.</b>	<b>\$ 7,233.</b>
<b>Other Assets</b>			
Security deposit	\$ 1,204.	0.	\$ 1,204.
<b>Total Assets</b>	<b>\$149,539.</b>	<b>\$17,006.</b>	<b>\$166,545.</b>

See accompanying notes.

NATALAMBY VOLUNTEER FIRE DEPARTMENT, INC.  
TANGIPAROA PARISH FIRE PROTECTION DISTRICT NO. 2  
Balance Sheet

Arising from Appropriations and Certain Other Transactions  
December 31, 1996  
(Continued)

	GENERAL FUND RESTRICTED	LAND, BUILDING & EQUIPMENT FUND RESTRICTED	TOTAL MEMORANDUM ONLY
<b>LIABILITIES</b>			
<b>&amp; FUND BALANCE</b>			
<u>Current Liabilities</u>			
Accounts payable	\$ 3,506.	\$ 0.	\$ 3,506.
Accrued salaries & related benefits	3,195.		3,195.
Payroll taxes payable	1,505.		1,505.
Security deposits payable	408.		408.
Short-term debt current portion	8,000.		8,000.
long-term debt	4,292.	5,189.	9,481.
Total Current Liabilities	\$ 18,996.	\$ 5,189.	\$ 24,185.
<u>Long-Term Liabilities</u>			
Notes payable	\$ 14,367.	\$ 14,870.	\$ 29,237.
<u>Fund Balance (Deficit)</u>			
Restricted	\$ 99,534.	\$ (23,962.1)	\$ 75,572.
Total Fund Balance	\$ 99,534.	\$ (23,962.1)	\$ 75,572.
Total Liabilities & Fund Balance	\$132,879.	\$ 17,186.	\$149,995.

See accompanying notes.

**NATALBANT VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANGIPAHOLA PARISH FIRE PROTECTION DISTRICT NO. 2**  
 Statement of Support, Revenue, Functional Expenses, and  
 Changes in Fund Balances Arising from Appropriations  
 and Certain Other Transactions  
 Year Ended December 31, 1994

	<b>GENERAL FUND RESTRICTED</b>	<b>LAND, BUILDINGS &amp; EQUIPMENT FUND RESTRICTED</b>	<b>TOTAL MEMORANDUM DUAR</b>
<b>SUPPORT &amp; REVENUE</b>			
Appropriations from			
Tangipahola Parish Fire			
Protection Dist. No. 2			
Ad Valorem tax	\$141,347.	\$ 0.	\$141,347.
Revenue sharing	39,573.		39,573.
Revenue sharing -			
payback plan	9,569.		9,569.
24 rebates	12,431.		12,431.
Interest	1,326.	185.	1,311.
Miscellaneous	386.		386.
Fire service payments	513.		513.
	-----	-----	-----
Total Support and Revenue	\$284,496.	\$ 185.	\$284,680.
	-----	-----	-----
<b>PROGRAM EXPENSES</b>			
Advertising	\$ 116.	\$ 0.	\$ 116.
Bank charges	55.		55.
Capital expenditures	30,246.		30,246.
Interest	3,398.	2,156.	5,554.
Depreciation		7,000.	7,000.
Fees & subscriptions	206.		206.
Employee benefits	3,436.		3,436.
Gas & oil	4,280.		4,280.
Insurance	20,530.		20,530.
Janitorial	90.		90.
Office supplies	949.		949.
Payroll taxes	4,871.		4,871.
Postage & freight	401.		401.
Professional fees	4,922.		4,922.
Rent	90.		90.
	-----	-----	-----
Subtotal	\$ 69,598.	\$ 9,156.	\$ 78,754.

See accompanying notes.  
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**NATAWAWAY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANJUNPANDA 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)  
 Year Ended December 31, 1994

	GENERAL FUND	LAND, BUILDING & EQUIPMENT FUND	TOTAL
	RESTRICTED	RESTRICTED	MEMORANDUM ONLY
<b>EXPENSES (CONTINUED)</b>			
Repairs and maint.	\$ 14,823.	\$ 0.	\$ 14,823.
Salaries & wages	53,754.		53,754.
Supplies	3,440.		3,440.
Telephone	2,871.		2,871.
Training	1,084.		1,084.
Travel	135.		135.
Uniforms	320.		320.
Utilities	3,436.		3,436.
	-----	-----	-----
Subtotal	\$ 79,863.	\$ 0.	\$ 79,863.
	-----	-----	-----
Total Expenses	\$ 79,863.	\$ 0.	\$ 79,863.
	-----	-----	-----
Excess (Deficiency) of Support and Revenue over Expenses	\$ 54,337.	\$ (8,973.)	\$ 45,364.
	-----	-----	-----
Fund Balances (Deficit), Beginning of Year	\$ 49,210.	\$ (18,603.)	\$ 30,607.
	-----	-----	-----
Fund Balances (Deficit), End of Year	\$ 104,147.	\$ (27,576.)	\$ 76,571.
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See accompanying notes.



**NAVALAWNY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TASCIPARDA PARISH FIRE PROTECTION DISTRICT NO. 2**  
 Statement of Cash Flows  
 Year Ended December 31, 1996

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income	\$ 44,966.
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	7,000.
(Increase) decrease in operating assets	
Receivables	(86,427.)
Prepaid insurance	35.
Deposits	200.
Increase (decrease) in operating liabilities	
Accounts payable	1,822.
Accrued salaries	763.
Accrued payroll taxes payable	331.
Security deposits payable	180.
	-----
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(28,282.)</b>
	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Increase in restricted assets	(123.)
Increase in investments	(588.)
	-----
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(711.)</b>
	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Repayment of long-term debt	(8,078.)
Proceeds from short-term debt	6,000.
	-----
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b>(2,078.)</b>
	-----
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>133,932.</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>43,150.</b>
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<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 137,082.</b>
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<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>	
Cash paid during the year for interest	\$ 3,540.
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See accompanying notes.

**METALBANY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANGIPAHOLA PARISH FIRE PROTECTION DISTRICT NO. 2**  
Notes to Financial Statements  
As of and For The Year Ended December 31, 1984

**INTRODUCTION**

Metalbany Volunteer Fire Department, Inc. (Metalbany) and nine other fire departments comprise Tangipahola Parish Fire Protection District No. 2 (Tangipahola). Tangipahola 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 Tangipahola 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 Metalbany arising from appropriations of Tangipahola, 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounts of Metalbany 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.

METALBERRY VOLUNTEER FIRE DEPARTMENT, INC.  
TANGIPAHOLA PARISH FIRE PROTECTION DISTRICT NO. 2  
Notes to Financial Statements (Continued)  
As of and For The Year Ended December 31, 1996

B. RESTRICTED ASSETS

Metalberry, 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 10, 1993. 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, 1996, Metalberry had a certificate of deposit in the amount of \$7,500, at a local financial institution restricted for the reserve account.

Metalberry, has entered into an agreement with Bell South Mobility in which employees of the Metalberry Fire Department are eligible to obtain cellular phone services under a governmental rate plan. Metalberry 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 Metalberry Fire Department holds full responsibility for all air time, access charges, and any other applicable fees due and payable to Bell South Mobility. Metalberry requires all employees applying for the cellular phone service to pay a deposit of \$150. to be used as reimbursement in case of forfeiture. At December 31, 1996, the cellular phone security deposit account had a balance of \$425.

C. GENERAL FIXED ASSETS

Fixed assets are not reported in the accompanying financial statements because all assets purchased with appropriations from Tangipahola shall be owned by Tangipahola as stated in the contract between Tangipahola 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.

**RETALCANY VOLUNTEERS FIRE DEPARTMENT, INC.**  
**TAMALPONA MARINE FIRE PROTECTION DISTRICT NO. 2**  
Notes to Financial Statements (Continued)  
As of and for the Year Ended December 31, 1996

**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 Retalcany are being presented on the accrual basis of accounting as follows:

**Revenues**

Appropriations from Tamalpais 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**

Retalcany legally adopted the 1996 budget at its January 1996 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).

**METALBARY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TRACIDANCA PARISH FIRE PROTECTION DISTRICT NO. 2**  
Notes to Financial Statements (Continued)  
As of and For The Year Ended December 31, 1996

**4. INVESTMENTS**

Metalbary invests some of its available cash in Certificates of Deposit (CDs) for 12 months. The deposits with remaining maturities of 90 days or more are considered to be investments. Metalbary maintains its CDs with domestic depositories. At December 31, 1996, Metalbary had a certificate of deposit valued at \$7,593, issued September 07, 1996 and maturing on September 07, 1997, bearing interest at a rate of 5.00%. Metalbary had a second certificate of deposit valued at \$8,706, issued September 07, 1996 and maturing on September 07, 1997, bearing interest at a rate of 5.80%. 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.

**5. INCOME TAXES**

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

**6. VACTION AND SICK LEAVE**

Depending on their length of service, full-time employees of Metalbary 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.

**MATALABAY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANGIPAHCA PARISH FIRE PROTECTION DISTRICT NO. 2**  
Notes to Financial Statements (Continued)  
As of and for The Year ended December 31, 1996

**F. DONATED MATERIALS AND SERVICES**

Matalabay Volunteer Fire Department, Inc. (Matalabay) 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 Matalabay's program services.

**G. LAND, BUILDING AND EQUIPMENT**

On April 23, 1993, Matalabay Volunteer Fire Department, Inc. (Matalabay) was donated a fire truck with an appraised value of \$35,800. The fire truck is being depreciated over 5 years using the straight-line method. The depreciation expense for the donated truck is \$7,000.

**1. RETIREMENT SYSTEM**

Employees of Matalabay Volunteer Fire Department, Inc. (Matalabay) participate in the Social Security System. Matalabay uses appropriations from Tangipahca to provide the employer matching portion of the social security contribution. Neither Matalabay nor Tangipahca 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. Matalabay pays the monthly premiums on the retirement policy. However, neither Matalabay nor Tangipahca have any liability for pension benefits paid upon retirement. Total retirement expenses for the year ended December 31, 1996 was \$450.

**METALBANY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANJIPANDA PARISH FIRE PROTECTION DISTRICT NO. 2**  
 Notes to Financial Statements (Continued)  
 As of and For The Year Ended December 31, 1996

**3. LONG TERM OBLIGATIONS**

Metalbany Volunteer Fire Department, Inc. (Metalbany) obtained a loan through the Community Facilities Loans Program from the Farmers Home Administration, United States Department of Agriculture, totaling \$22,022, 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 14, 1983 on one 1983 F-702 Ford Fire truck and its related equipment. Metalbany 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 (GECCO) in 1987. At December 31, 1996, the balance of this loan was \$43,068. Of this amount, \$26,879 represents long term debt. Total interest expense for the year ended December 31, 1996 was \$2,124.

Maturities on long term debt are as follows:

Year ended December 31	Amount
1998	\$ 454
1999	4,723
2000	4,927
2001	5,335
2002	5,658
2003	5,879
	-----
	\$26,879
	-----

On October 31, 1995, Metalbany obtained an additional loan from Community State Bank in the amount of \$20,000. 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 \$422. At December 31, 1996, the balance of this loan was \$18,859. Of this amount, \$14,167 represents long term debt. Total interest expense for the year ended December 31, 1996 was \$1,984.

**METALBANY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANGIPAHOLA PARISH FIRE PROTECTION DISTRICT NO. 2**  
 Notes to Financial Statements (Continued)  
 As of and For The Year Ended December 31, 1996

Maturities on long term debt are as follows:

Year ended December 31	Amount
1998	4,604
1999	4,940
2000	4,833
	-----
	\$14,377
	*****

On October 18, 1995, Metalbany obtained a 7% temporary loan from Community State Bank in the amount of \$4,980. The proceeds from this loan were used for operations. As December 31, 1996, the balance of this loan was \$4,920.

**4. FUND BALANCE**

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

**5. LEASES**

Metalbany is subleasing the land on which the fire station sits from Tangipahola, a related party. Tangipahola has the lease with a corporation for 25 years with an option to renew for an additional 25 years for \$25. per year. The lease began on April 01, 1981. All terms of Tangipahola's lease with the corporation are binding on Metalbany. The lease requires Metalbany 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 \$10.

The future minimum lease payments are as follows:

1997	50.
1998	50.
1999	50.
2000	50.
2001-2005	250.
	-----
	\$400.
	*****



**METALBANY VOLUNTEERS FIRE DEPARTMENT, INC.**  
**TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2**  
 Notes to Financial Statements (Continued)  
 As of and For The Year Ended December 31, 1996

In a separate lease agreement, Metalbany is subleased 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 \$60. per year. The lease began on June 24, 1993. All terms of Tangipahoa's lease with the individual are binding on Metalbany. The lease requires Metalbany 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 \$31.

The future minimum lease payments are as follows:

1997	\$0.
1998	50.
1999	50.
2000	50.
2001	50.
2002-2042	2,050.
	-----
	\$2,300.
	-----

**7. RESERVE REQUIREMENTS**

The loan covenant requires reserve account transfers from the general operating account at a rate of not less than \$24. monthly to the reserve account until the reserve account reaches the sum of \$7,128.

Reserved Certificate of Deposit	\$7,500.
Deposits Required	7,128.
	-----
Overfunded @ 12/31/96	375.
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SUPPLEMENTARY INFORMATION

**MATLABANY VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANGIPAHOLA PARISH FIRE PROTECTION DISTRICT NO. 2**  
 Combined Schedule of Support, Revenue, Functional Expenses, and  
 Changes in Fund Balances Arising from Appropriations  
 and Certain Other Transactions--Actual and Budget--All Fund Types  
 Year Ended December 31, 1998

	ACTUAL	BUDGET	VARIANCE FAVORABLE UNFAVORABLE
<b>SUPPORT &amp; REVENUE</b>			
Appropriations from Tangipahola Parish			
Fire Protection District No. 2			
Ad valorem tax	\$ 241,247.	\$ 44,500.	\$ 196,747.
Revenue sharing	19,973.	30,000.	(10,027).
Revenue sharing-payback plan	9,269.	9,570.	(301).
24 rebates	12,411.	12,447.	(36).
Dept. of Agriculture & Forestry grant	0.	3,000.	(3,000).
Governor's office of Rural Development	0.	25,000.	(25,000).
Interest	1,311.	000.	1,311.
Miscellaneous	469.	0.	469.
	-----	-----	-----
Total Support & Revenue	\$284,680.	\$149,517.	\$ 135,163.
	-----	-----	-----
<b>PROGRAM EXPENSES</b>			
Advertising	\$ 116.	0.	(116).
Bank charges	88.	0.	(88).
Capital expenditures	30,286.	43,815.	(13,529).
Depreciation	7,080.	0.	(7,080).
Dues & subscriptions	284.	331.	(47).
Employee benefits	2,434.	2,340.	(94).
Gas & oil	4,180.	4,000.	(180).
Insurance	20,230.	17,800.	(2,430).
Interest	3,982.	4,340.	(358).
Janitorial	0.	60.	60.
Office supplies	949.	1,200.	(251).
Outside services	50.	150.	100.
Payroll taxes	4,071.	3,800.	(271).
Postage & freight	401.	380.	(21).
Professional fees	4,922.	4,825.	(97).
Rent	50.	100.	50.
Repairs & maintenance	14,822.	9,500.	(5,322).
Salaries & wages	53,794.	50,000.	(3,794).
Supplies	3,444.	3,800.	(356).
Telephone	2,671.	3,800.	(1,129).
Training	1,004.	1,800.	(796).
Travel	303.	0.	(303).
Uniforms	228.	150.	(78).
Utilities	3,494.	3,837.	(343).
	-----	-----	-----
Total Expenses	\$358,718.	\$320,856.	\$ 37,862.

See Accountant's Report

**MATHEWSON VOLUNTEER FIRE DEPARTMENT, INC.**  
**TANGIPAROA PARISH FIRE PROTECTION DISTRICT NO. 2**  
 Combined Schedule of Support, Revenue, Functional Expenses, and  
 Changes in Fund Balances Arising from Appropriations  
 and Certain Other Transactions-Actual and Budget (Continued)  
 Year Ended December 31, 1966

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Excess (Deficiency) of Support and Revenue over Expenses	\$ 46,864.	\$ (9,521.75)	\$ 56,385.
Fund Balance (Deficit) at Beginning of Year	28,608.	28,608.	0.
Fund Balance (Deficit) at End of Year	\$ 75,472.	\$ 19,087.	\$56,385.

See Accountant's Report

Internal Control Structure and Compliance Reports  
December 31, 1986

ANTHONY B. BAILEY, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION  
2021 Rue Simone  
Baton Rouge, Louisiana 70802  
(504)842-4155

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

The Honorable Emmett J. Parrilloux, Fire Chief,  
and Members of the Board of Directors  
Metairie Volunteer Fire Department, Inc.  
P. O. Box 357  
Metairie, Louisiana 70001

I have audited the financial statements of Metairie Volunteer Fire Department, Inc. (Metairie) a non-profit organization, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 18, 1997.

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 Metairie 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 Metairie for the year ended December 31, 1996, 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.

I noted a matter contained in Exhibit A involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, the reportable condition referred to in Exhibit A involving the internal control structure and its operation that I consider to be material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of Metairie for the year ended December 31, 1996.

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.



Hammond, Louisiana  
June 18, 1997

METALBANY VOLUNTEER FIRE DEPARTMENT, INC,  
TAMMERSKÄ PARISH FIRE PROTECTION DISTRICT NO. 1  
Reportable Conditions in the Internal Controls  
Year Ended December 31, 1996

FINDINGS AND RECOMMENDATIONS

INADEQUATE SEGREGATION OF DUTIES

The limited size of Metalbany precludes an adequate segregation of duties and other features of an adequate system of internal control.

RECOMMENDATION

It would not be cost beneficial for Metalbany to employ such controls.

EXHIBIT A



ARTHUR B. BUELL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION  
2811 East Simons  
Hammond, Louisiana 70406  
(504) 942-4155

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

The Honorable Emmett J. Ferriloux, Fire Chief,  
and Members of the Board of Directors  
Metairie Volunteers Fire Department, Inc.  
P. O. Box 337  
Metairie, Louisiana 70001

I have audited the financial statements of Metairie Volunteers Fire Department, Inc. (Metairie) (a non-profit organization) as of and for the year ended December 31, 1996, and have issued my report thereon dated June 18, 1997.

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 Metairie is the responsibility of Metairie's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Metairie'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.

  
Hammond, Louisiana  
June 18, 1997