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**R E P O R T**

**TERRYTOWN FIFTH DISTRICT  
VOLUNTEER FIRE DEPARTMENT, INC.**

**JUNE 30, 1998 AND 1997**

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.

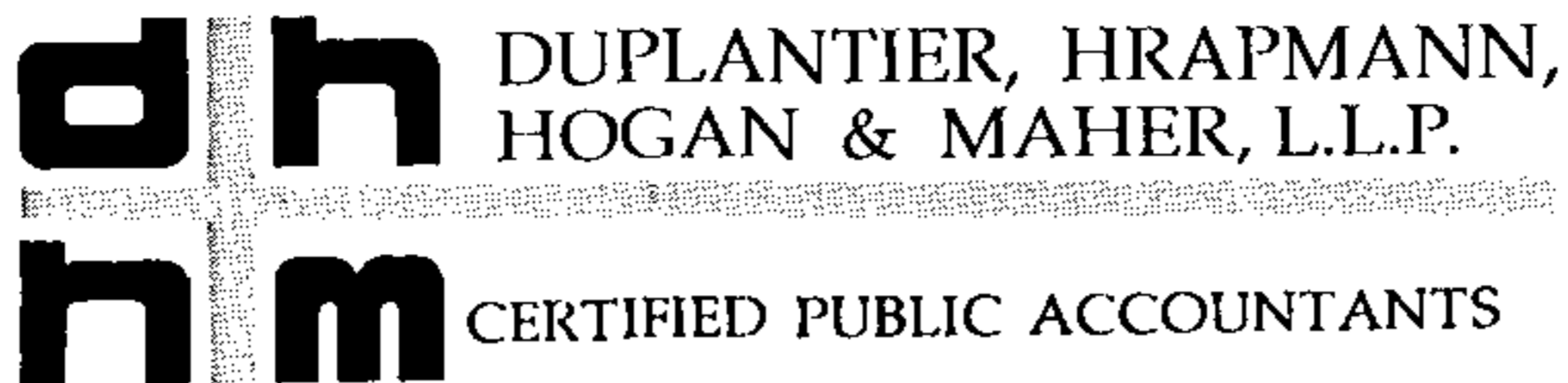
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TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.

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## INDEPENDENT AUDITOR'S REPORT

August 13, 1998

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

We have audited the accompanying statements of financial position - cash basis of the Terrytown Fifth District Volunteer Fire Department, Inc. as of June 30, 1998 and 1997 and the related statements of activities - cash basis for the years 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 audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the Fire Department prepares its financial statements on the cash basis of accounting. This basis is a comprehensive basis of accounting other than generally accepted accounting principles.

As described in Notes 1 and 7, as of July 1, 1996, the Fire Department changed its method of accounting for investments.

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, 1998 and 1997, and its changes in net assets for the years then ended on the basis of accounting described in Note 1.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 11-14 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 13, 1998 on our consideration of the Fire Department's internal control over financial reporting and our tests of its compliance with laws and regulations.

*Duplantier, Hapman, Hogan & Mahu LLP*

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 STATEMENTS OF FINANCIAL POSITION - CASH BASIS  
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
<b>CURRENT ASSETS:</b>		
Cash in banks and on hand (Notes 2 and 8)	\$ 188,249	\$ 236,444
Cash in savings accounts and short term investments (Note 3)	<u>1,379,188</u>	<u>1,259,855</u>
Total current assets	<u>1,567,437</u>	<u>1,496,299</u>
<b>PROPERTY AND EQUIPMENT: (Note 1)</b>		
Land	33,928	33,928
Buildings and improvements	1,035,071	1,028,671
Machinery and equipment	473,154	471,156
Furniture and fixtures	<u>72,991</u>	<u>69,641</u>
	1,615,144	1,603,396
Less accumulated depreciation	<u>1,209,143</u>	<u>1,126,668</u>
Total property and equipment	<u>406,001</u>	<u>476,728</u>
<b>OTHER ASSETS:</b>		
Meter deposits	75	75
Investments (Note 3)	<u>12,380</u>	<u>18,315</u>
Total other assets	<u>12,455</u>	<u>18,390</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,985,893</u></b>	<b>\$ <u>1,991,417</u></b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Payroll taxes payable	\$ 1,243	\$ 1,123
<b>NET ASSETS: (Note 1)</b>		
Unrestricted	<u>1,984,650</u>	<u>1,990,294</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>1,985,893</u></b>	<b>\$ <u>1,991,417</u></b>

See accompanying notes.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 STATEMENTS OF ACTIVITIES - CASH BASIS  
 FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
UNRESTRICTED NET ASSETS:		
Revenue: (Note 1)		
Jefferson Parish millage	\$ 1,020,000	\$ 1,008,000
Fire insurance rebate	46,744	46,766
Jefferson Parish rebate	16,000	16,000
Chauffers fund	36,000	36,000
Investment return (Note 3)	66,148	55,114
Voluntary contributions	40,937	39,538
Dues - members	753	850
Social fund income	5,399	5,029
Ladies auxiliary	5,852	9,929
Vice President's account	12,170	9,662
Other income	--	1,350
Miscellaneous income	5,043	3,039
Total revenue	<u>1,255,046</u>	<u>1,231,277</u>
Expenses:		
Administration (Pages 11 and 12)	46,908	46,640
Firefighting (Pages 11 and 12)	1,196,389	1,065,037
Fundraising (Pages 11 and 12)	17,393	13,699
Total expenses	<u>1,260,690</u>	<u>1,125,376</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(5,644)	105,901
NET ASSETS - BEGINNING OF YEAR	<u>1,990,294</u>	<u>1,884,393</u>
NET ASSETS - END OF YEAR	<u>\$ 1,984,650</u>	<u>\$ 1,990,294</u>

See accompanying notes.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

ORGANIZATION:

Terrytown Fifth District Volunteer Fire Department, Inc. (the Fire Department) was organized to provide the citizens in the Fifth Fire Protection District (which includes Terrytown and adjoining unincorporated portions of Jefferson Parish) with fire protection and related services and facilities. The Fire Department is under a ten year contract with Jefferson Parish which is in effect until March 31, 2004. The majority of the Fire Department's revenue is derived from this contract.

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:

Basis of Accounting:

The Fire Department prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, these financial statements are not intended to present financial position, results of operations and changes in net assets and cash flows in conformity with generally accepted accounting principles.

Revenue:

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 depreciated using the straight line method over their estimated useful lives ranging from five to eighteen years. Depreciation expense for the years ending June 30, 1998 and 1997 was \$82,475 and \$99,234, respectively.

Property and equipment does not include fire trucks and 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 fire trucks donated has been offset against the subsidies provided by the Parish. During the years ended June 30, 1998 and 1997, the Fire Department purchased and donated vehicles to the Parish in the amounts of \$-0- and \$22,520, respectively. The vehicles were purchased with the millage revenue provided by the Parish. Jefferson Parish provides insurance on the fire trucks and vehicles.

For the years ended June 30, 1998 and 1997, the total purchases of property and equipment were \$11,748 and \$31,860, respectively.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Statement Presentation:

The Fire Department has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, 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. For the years ending June 30, 1998 and 1997, the Fire Department has only unrestricted net assets.

Donated Services:

No amounts have been reflected in the financial statements for donated services. Donated services were not recorded because the value of these services was not readily determinable. However, a substantial number of volunteers have donated significant amounts of their time in the Fire Department's program services.

Investments:

The Fire Department adopted Statement of Financial Accounting Standards No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, as of July 1, 1996. Under Statement No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

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.

Following is a schedule of cash balances in financial institutions for the years ending June 30, 1998 and 1997:

	<u>1998</u>	<u>1997</u>
Petty cash	\$ 750	\$ 750
Hibernia National Bank (formerly First National Bank of Jefferson Parish):		
Special account	74,211	120,254
Payroll account - special	29,591	6,448
Iberia Bank (formerly Jefferson Federal Savings Bank):		
Regular	6,936	10,075
Social	16,384	13,559
Whitney National Bank:		
Eagle	56,896	82,035
Gulf Coast Bank & Trust:		
Ladies auxiliary account	3,481	3,323
Total	<u>\$188,249</u>	<u>\$236,444</u>



TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

3. INVESTMENTS:

The Fire Department invests in certificates of deposit held by financial institutions and other investments held by Merrill Lynch. All investments are carried at fair value. Following is a schedule of the investments for the years ending June 30, 1998 and 1997:

	<u>1998</u>	<u>1997</u>
<u>Maturity within one year</u>		
Merrill Lynch - CMA Money Account	\$ 73,260	\$ 62,838
Fifth District Homestead:		
Savings account (2.5% interest rate)	13,607	72,923
Certificate of deposit (matures 09-24-98; 5.55% interest rate)	60,000	--
Regions Bank:		
Certificate of deposit (matures 06-16-99; 4.65% interest rate)	20,000	--
Certificate of deposit (matures 10-07-97; 4.88% interest rate)	--	75,000
Certificate of deposit (matures 6-6-99; 5.12% interest rate)	78,563	78,563
Gulf Coast Bank:		
Certificate of deposit (matures 07-13-98; 4.75% interest rate)	82,468	82,468
Whitney National Bank:		
Certificate of deposit (matures 08-06-98; 4.45% interest rate)	47,390	46,328
Bank One (formerly Premier Bank):		
Certificate of deposit (matures 09-04-98; 3.1% interest rate)	30,203	30,203
Bank One:		
Certificate of deposit (matures 02-27-99; 3.1% interest rate)	69,102	69,559
Algiers Homestead Association:		
Certificate of deposit (matures 11-05-98; 5.27% interest rate)	27,522	27,173
Certificate of deposit (matures 12-06-98; 5.27% interest rate)	45,526	44,346
Certificate of deposit (matures 11-10-98; 5.27% interest rate)	25,000	30,000
Eureka Homestead:		
Certificate of deposit (matures 09-30-98; 4.0% interest rate)	36,701	36,701
Certificate of deposit (matures 12-23-98; 4.0% interest rate)	58,252	57,457
Jefferson Guaranty Bank:		
Certificate of deposit (matures 12-12-98; 5.25% interest rate)	85,081	85,081
Iberia Bank (formerly Jefferson Savings Bank):		
Certificate of deposit (matures 10-28-98; 4.56% interest rate)	45,000	45,000
Certificate of deposit (matures 12-16-98; 4.62% interest rate)	20,000	--

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

3. INVESTMENTS: (Continued)

	<u>1998</u>	<u>1997</u>
<u>Maturity within one year</u> (Continued)		
First National Bank of Commerce: Special Certificate of deposit (matures 05-16-99; 5.74% interest rate)	\$ 75,000	\$ 75,000
Dryades Savings Bank: Certificate of deposit (matures 11-6-98; 4.74% interest rate)	96,413	96,413
Bank of Louisiana: Certificate of deposit (matures 09-03-98; 4.20% interest rate)	79,802	79,802
Fidelity Homestead: Certificate of deposit (matures 09-23-98; 5.12% interest rate)	90,298	90,000
Mississippi River Bank: Certificate of deposit (matures 09-27-98; 4.50% interest rate)	75,000	75,000
Certificate of deposit (matures 12-16-98; 4.50% interest rate)	20,000	--
Schwegmann Bank Certificate of deposit (matures 09-26-98; 4.45% interest rate)	50,000	--
ASI Federal Credit Union Certificate of deposit (matures 10-10-98; 5.55% interest rate)	<u>75,000</u>	<u>--</u>
Total maturity within one year	<u>\$1,379,188</u>	<u>\$1,259,855</u>
 <u>Maturity over one year</u>		
GNMA (matures 2003; 6.5% interest rate)	\$ 595	\$ 942
GNMA (matures 2003; 6.5% interest rate)	1,009	1,421
GNMA (matures 2003; 6.5% interest rate)	1,278	3,139
GNMA (matures 2003; 6.5% interest rate)	2,124	2,810
GNMA (matures 2001; 6.5% interest rate)	3,493	5,658
GNMA (matures 2002; 6.5% interest rate)	1,684	2,276
GNMA (matures 2003; 6.5% interest rate)	2,197	2,069
Total maturity over one year	<u>\$ 12,380</u>	<u>\$ 18,315</u>

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

3. INVESTMENTS: (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 1998 and 1997:

	<u>1998</u>	<u>1997</u>
Interest income	\$ 66,420	\$ 54,410
Net realized and unrealized gains (losses)	<u>(272)</u>	<u>704</u>
Total investment return	<u>\$ 66,148</u>	<u>\$ 55,114</u>

4. INCOME TAXES:

The Fire Department is exempt from income taxes under Internal Revenue Code Sec. 501(c)(3), which exempts volunteer fire departments.

5. PENSION PLAN:

Effective January 1, 1997, the Fire Department established a Simple retirement plan in accordance with Internal Revenue Code Sections 401(k)11 and 408(p). Prior to that time, the Fire Department had a pension plan in accordance with Internal Revenue Code Section 403(b) which was terminated on December 31, 1996. Both plans allow 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-forfeitable contributions of 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 years ended June 30, 1998 and 1997 was \$18,618 and \$13,317, respectively.

6. 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 those estimates.

7. CHANGE IN ACCOUNTING PRINCIPLE:

The Fire Department adopted Statement of Financial Accounting Standards No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, as of July 1, 1996. Under Statement No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The adoption of this statement resulted in no change in net assets as of July 1, 1996.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

8. CASH BALANCES IN EXCESS OF FDIC INSURANCE:

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 for the years ending June 30, 1998 and 1997:

<u>Institution</u>	<u>Bank Balance</u> <u>June 30, 1998</u>	<u>Less:FDIC</u> <u>Insurance</u>	<u>Uninsured</u> <u>Bank Balance</u> <u>June 30, 1998</u>
Whitney National Bank	\$104,286	\$ 100,000	\$ 4,286
Hibernia National Bank	113,883	100,000	13,883
	<u>\$218,169</u>	<u>\$ 200,000</u>	<u>\$ 18,169</u>
<u>Institution</u>	<u>Bank Balance</u> <u>June 30, 1997</u>	<u>Less:FDIC</u> <u>Insurance</u>	<u>Uninsured</u> <u>Bank Balance</u> <u>June 30, 1997</u>
Regions Bank	\$153,563	\$ 100,000	\$ 53,563
Whitney National Bank	128,363	100,000	28,363
Hibernia National Bank	141,271	100,000	41,271
Algiers Homestead Association	101,520	100,000	1,520
	<u>\$524,717</u>	<u>\$ 400,000</u>	<u>\$124,717</u>

9. LAWSUIT:

The Fire Department was 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, 1991 to challenge claims by their paid employee that employees of volunteer fire departments are beneficiaries of the firefighter minimum wage law. The Fire Department's lawsuit was unsuccessful, and accordingly, the Fire Department is required to pay vacation, sick leave and holiday pay from previous years to employees. In July and August 1998, approximately \$66,000 was paid by the Fire Department to employees in settlement of claims.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS  
 FOR THE YEAR ENDED JUNE 30, 1998

	<u>ADMINISTRATION</u>	<u>FIREFIGHTING</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Accounting	\$ 4,443	\$ 3,457	\$ --	\$ 7,900
Advertising and promotion	1,886	--	--	1,886
Bunker gear	--	17,388	--	17,388
Casualty losses	--	313	--	313
Convention expense	4,500	--	--	4,500
Donations	100	--	--	100
Depreciation	2,279	80,196	--	82,475
Dues and subscriptions	3,580	--	--	3,580
Emergency operations	--	926	--	926
Fire prevention expense	--	10,712	--	10,712
Fuel	--	6,624	--	6,624
Insurance - employees	3,405	119,804	--	123,209
Insurance - general	740	26,039	--	26,779
Insurance - vehicles	--	1,170	--	1,170
Labor - salaries - wages	14,586	553,814	--	568,400
Ladies auxiliary expense	--	--	7,176	7,176
Legal	209	7,361	--	7,570
Licenses and taxes	5	--	--	5
Medical expenses - employees/ members	57	2,015	--	2,072
Medical supplies	--	1,624	--	1,624
Meetings	49	1,713	--	1,762
Membership expense	--	25,544	--	25,544
Miscellaneous expense	78	2,934	--	3,012
Office expense and supplies	5,303	--	--	5,303
Payroll taxes	1,186	41,735	--	42,921
Pension plan expense	515	18,103	--	18,618
Pest control	112	3,953	--	4,065
Photo lab expense	--	1,620	--	1,620
Postage	3,222	--	--	3,222
Repairs and maintenance	--	171,413	--	171,413
Social fund expense	--	--	3,625	3,625
Supplies - cleaning	81	2,862	--	2,943
Supplies - other	--	32,292	--	32,292
Telephone - firehouses	213	7,476	--	7,689
Training expenses	--	2,095	--	2,095
Uniforms and badges	--	9,985	--	9,985
Utilities and telephone - residences	--	6,444	--	6,444
Utilities - firehouses - Heritage	359	12,630	--	12,989
Utilities - firehouses - Other	--	22,600	--	22,600
Vice President's account expense	--	--	6,287	6,287
Video expense	--	73	--	73
Voluntary contribution expense	--	--	305	305
Waste control	--	1,474	--	1,474
<b>TOTAL</b>	<b>\$ 46,908</b>	<b>\$ 1,196,389</b>	<b>\$ 17,393</b>	<b>\$ 1,260,690</b>

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS  
 FOR THE YEAR ENDED JUNE 30, 1997

	<u>ADMINISTRATION</u>	<u>FIREFIGHTING</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Accounting	\$ 4,554	\$ 3,796	--	\$ 8,350
Advertising and promotion	767	--	--	767
Bunker gear	--	11,771	--	11,771
Convention expense	7,895	--	--	7,895
Donations	--	27,632	--	27,632
Depreciation	2,640	96,594	--	99,234
Dues and subscriptions	3,393	--	--	3,393
Emergency operations	--	408	--	408
Fire prevention expense	--	10,255	--	10,255
Fuel	--	6,836	--	6,836
Insurance - employees	2,660	97,321	--	99,981
Insurance - general	1,047	38,298	--	39,345
Insurance - vehicles	--	2,510	--	2,510
Labor - salaries - wages	14,040	513,700	--	527,740
Ladies auxiliary expense	--	--	5,286	5,286
Legal	350	12,793	--	13,143
Licenses and taxes	53	--	--	53
Medical expenses - employees/ members	56	2,057	--	2,113
Medical supplies	--	1,077	--	1,077
Meetings	47	1,717	--	1,764
Membership expense	--	21,240	--	21,240
Miscellaneous expense	83	3,025	--	3,108
Office expense and supplies	4,994	--	--	4,994
Payroll taxes	1,114	40,757	--	41,871
Pension plan expense	354	12,963	--	13,317
Pest control	40	1,472	--	1,512
Photo lab expense	--	1,345	--	1,345
Postage	1,961	--	--	1,961
Repairs and maintenance	--	72,215	--	72,215
Social fund expense	--	--	3,488	3,488
Supplies - cleaning	95	3,459	--	3,554
Supplies - other	--	22,370	--	22,370
Telephone - firehouses	125	4,577	--	4,702
Training expenses	--	1,560	--	1,560
Uniforms and badges	--	7,522	--	7,522
Utilities and telephone - residences	--	7,043	--	7,043
Utilities - firehouses - Heritage	372	13,610	--	13,982
Utilities - firehouses - Other	--	23,611	--	23,611
Vice President's account expense	--	--	2,010	2,010
Video expense	--	76	--	76
Voluntary contribution expense	--	--	2,915	2,915
Waste control	--	1,427	--	1,427
<b>TOTAL</b>	<b>\$ 46,640</b>	<b>\$ 1,065,037</b>	<b>\$ 13,699</b>	<b>\$ 1,125,376</b>

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 SUPPLEMENTARY INFORMATION  
 STATEMENTS OF REVENUE COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 SPECIAL FUND  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<b>REVENUE:</b>		
Jefferson Parish millage	\$ 1,020,000	\$ 1,008,000
Fire insurance rebate	46,744	46,766
Jefferson Parish sales tax rebate	16,000	16,000
Chauffers fund	36,000	36,000
Investment return	51,325	52,711
Miscellaneous	3,371	1,454
Total revenue	1,173,440	1,160,931
<b>OPERATING EXPENSES:</b>		
Accounting	7,900	8,350
Advertising and promotion	689	767
Bunker gear	17,388	11,771
Casualty losses	313	--
Convention expense	3,014	3,975
Donations	100	27,432
Dues and subscriptions	3,580	3,393
Emergency operations	926	408
Fuel	6,624	6,836
Fire prevention expense	10,712	10,255
Insurance expense - general	26,779	39,345
Insurance - employees	123,209	99,981
Labor - salaries - wages	568,400	527,741
Legal	7,570	13,143
Licenses and taxes	5	53
Membership expense	764	533
Medical expense/supplies	3,695	3,190
Miscellaneous expense	2,527	2,808
Meetings	1,762	1,764
Office expense/supplies	5,252	4,994
Payroll taxes	42,921	41,871
Photo lab expense	1,620	1,345
Pension plan expense	18,618	13,317
Pest control	4,065	1,512
Postage	1,083	1,122
Repairs and maintenance radios	7,892	2,946
Repairs and maintenance residence	344	199
Repairs and maintenance fire houses	56,131	18,862
Repairs and maintenance fire equipment	97,382	42,172
Repairs and maintenance Chief's car	195	--
Repairs and maintenance utility truck	2,133	1,493
Repairs and maintenance station equipment	4,193	3,815
Repairs & maintenance car #599	2,703	1,073

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 SUPPLEMENTARY INFORMATION  
 STATEMENTS OF REVENUE COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 SPECIAL FUND  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING EXPENSES: (Continued)		
Supplies - fire fighting	\$ 15,098	\$ 5,769
Supplies - shop maintenance	429	485
Supplies - cleaning	2,943	3,554
Supplies - firehouses	16,765	15,855
Telephone - firehouses	7,689	4,702
Training expense	2,095	1,560
Uniforms and badges	9,356	7,455
Utilities - firehouses	35,589	37,593
Utilities and telephone - residence	6,444	7,043
Waste control	1,474	1,427
Video expense	73	76
Depreciation expense	82,475	99,234
Total operating expenses	<u>1,210,919</u>	<u>1,081,219</u>
NET REVENUE (EXPENDITURES)	\$ <u>(37,479)</u>	\$ <u>79,712</u>



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

August 13, 1998

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

We have audited the financial statements of the Terrytown Fifth District Volunteer Fire Department, Inc. as of and for the year ended June 30, 1998, and have issued our report thereon dated August 13, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether Terrytown Fifth District Volunteer Fire Department, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 that are required to be reported under *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Terrytown Fifth District Volunteer Fire Department, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of Terrytown Fifth District Volunteer Fire Department, Inc.'s Board of Directors, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Duplante, Hapman, Hogan & Maher LLP*