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**R E P O R T**

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

**JUNE 30, 1999 AND 1998**

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.

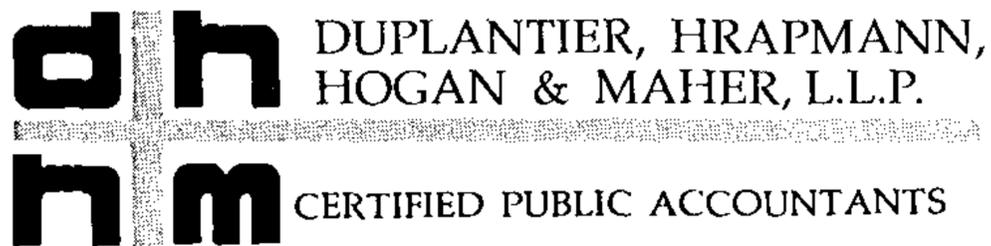
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TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.

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## INDEPENDENT AUDITOR'S REPORT

August 27, 1999

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, 1999 and 1998 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.

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, 1999 and 1998, 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 27, 1999 on our consideration of the Fire Department's internal control over financial reporting and our tests of its compliance with laws and regulations.

*Duplantier, Hauptmann Hogan & Maher LLP*

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 STATEMENTS OF FINANCIAL POSITION - CASH BASIS  
JUNE 30, 1999 AND 1998

ASSETS

	<u>1999</u>	<u>1998</u>
<b>CURRENT ASSETS:</b>		
Cash in banks and on hand (Notes 2 and 7)	\$ 248,963	\$ 188,249
Cash in savings accounts and short term investments (Note 3)	1,347,790	1,379,188
Total current assets	<u>1,596,753</u>	<u>1,567,437</u>
<b>PROPERTY AND EQUIPMENT: (Note 1)</b>		
Land	33,928	33,928
Buildings and improvements	1,047,897	1,035,071
Machinery and equipment	488,445	473,154
Furniture and fixtures	99,655	72,991
	<u>1,669,925</u>	<u>1,615,144</u>
Less accumulated depreciation	1,277,277	1,209,143
Total property and equipment	<u>392,648</u>	<u>406,001</u>
<b>OTHER ASSETS:</b>		
Meter deposits	75	75
Investments (Note 3)	21,681	12,380
Total other assets	<u>21,756</u>	<u>12,455</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>2,011,157</u></b>	<b>\$ <u>1,985,893</u></b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Payroll taxes payable	\$ 1,264	\$ 1,243
<b>NET ASSETS: (Note 1)</b>		
Unrestricted	<u>2,009,893</u>	<u>1,984,650</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>2,011,157</u></b>	<b>\$ <u>1,985,893</u></b>

See accompanying notes.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 STATEMENTS OF ACTIVITIES - CASH BASIS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
UNRESTRICTED NET ASSETS:		
Revenue: (Note 1)		
Jefferson Parish millage	\$ 1,050,000	\$ 1,020,000
Fire insurance rebate	47,963	46,744
Jefferson Parish rebate	16,000	16,000
Chauffers fund	33,000	36,000
Investment return (Note 3)	72,508	66,148
Voluntary contributions	42,463	40,937
Dues - members	590	753
Social fund income	5,579	5,399
Ladies auxiliary	7,907	5,852
Vice President's account	11,232	12,170
Miscellaneous income	19,347	5,043
Total revenue	<u>1,306,589</u>	<u>1,255,046</u>
Expenses:		
Administration (Pages 11 and 12)	48,168	46,908
Firefighting (Pages 11 and 12)	1,216,533	1,196,389
Fundraising (Pages 11 and 12)	16,645	17,393
Total expenses	<u>1,281,346</u>	<u>1,260,690</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	25,243	(5,644)
NET ASSETS - BEGINNING OF YEAR	<u>1,984,650</u>	<u>1,990,294</u>
NET ASSETS - END OF YEAR	<u>\$ 2,009,893</u>	<u>\$ 1,984,650</u>

See accompanying notes.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

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. The Fire Department capitalizes property and equipment purchases over \$1,000 and expenses those purchases under \$1,000. Depreciation expense for the years ending June 30, 1999 and 1998 was \$68,134 and \$82,475, 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. 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, 1999 and 1998, the total purchases of property and equipment were \$54,780 and \$11,748, respectively.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Statement Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Fire Department is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of June 30, 1999 and 1998, the Fire Department had only unrestricted net assets.

The statement of activities presents expenses of the Fire Department's operations functionally between program services for firefighting and administrative and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

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 follows the recommendation of Statement of Financial Accounting Standards No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. 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, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Petty cash	\$ 750	\$ 750
Hibernia National Bank:		
Special account	126,248	74,211
Payroll account - special	40,766	29,591
Iberia Bank:		
Regular	7,515	6,936
Social	16,663	16,384
Whitney National Bank:		
Eagle	51,104	56,896
Gulf Coast Bank & Trust:		
Ladies auxiliary account	5,917	3,481
Total	<u>\$248,963</u>	<u>\$188,249</u>

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

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, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
<u>Maturity within one year</u>		
Merrill Lynch - CMA Money Account	\$ 67,442	\$ 73,260
Fifth District Homestead:		
Savings account (2.5% interest rate)	13,952	13,607
Certificate of deposit (matures 09-24-99; 5.10% interest rate)	60,000	60,000
Regions Bank:		
Certificate of deposit (matures 12-16-99; 3.875% interest rate)	20,000	20,000
Certificate of deposit (matures 6-6-00; 3.971% interest rate)	78,563	78,563
Gulf Coast Bank:		
Certificate of deposit (matures 07-13-99; 4.00% interest rate)	82,468	82,468
Whitney National Bank:		
Certificate of deposit (matures 08-01-99; 4.01% interest rate)	47,390	47,390
Bank One:		
Certificate of deposit (matures 08-25-99; 3.85% interest rate)	30,203	30,203
Certificate of deposit (matures 01-28-00; 3.90% interest rate)	69,109	69,102
Algiers Homestead Association:		
Certificate of deposit (matures 11-08-99; 4.60% interest rate)	27,522	27,522
Certificate of deposit (matures 12-07-99; 4.60% interest rate)	45,526	45,526
Certificate of deposit (matures 11-13-99; 4.60% interest rate)	25,000	25,000
Eureka Homestead:		
Certificate of deposit (matures 09-29-99; 3.691% interest rate)	36,701	36,701
Certificate of deposit (matures 12-22-99; 3.691% interest rate)	58,252	58,252
Deposit Guaranty Bank:		
Certificate of deposit (matures 12-14-99; 4.89% interest rate)	94,249	85,081
Iberia Bank:		
Certificate of deposit (matures 10-27-99; 3.960% interest rate)	45,000	45,000
Certificate of deposit (matures 12-16-99; 4.43% interest rate)	20,000	20,000

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

3. INVESTMENTS: (Continued)

	<u>1999</u>	<u>1998</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
Dryades Savings Bank: Certificate of deposit (matures 11-5-99; 4.11% interest rate)	96,413	96,413
Bank of Louisiana: Certificate of deposit (matures 09-03-98; 4.20% interest rate)	--	79,802
Certificate of deposit (matures 11-19-99; 4.15% interest rate)	75,000	--
Fidelity Homestead: Certificate of deposit (matures 09-22-99; 4.40% interest rate)	90,000	90,298
Mississippi River Bank: Certificate of deposit (matures 09-27-99; 3.75% interest rate)	75,000	75,000
Certificate of deposit (matures 12-16-99; 3.75% interest rate)	20,000	20,000
Schwegmann Bank Certificate of deposit (matures 09-26-99; 4.40% interest rate)	50,000	50,000
ASI Federal Credit Union Certificate of deposit (matures 10-10-99; 5.25% interest rate)	75,000	75,000
Hibernia Bank Certificate of deposit (matures 11-25-99; 4.00% interest rate)	<u>45,000</u>	<u>--</u>
Total maturity within one year	<u>\$1,347,790</u>	<u>\$1,379,188</u>
<u>Maturity over one year</u>		
GNMA (matures 2003; 6.5% interest rate)	\$ 322	\$ 595
GNMA (matures 2003; 6.5% interest rate)	745	1,009
GNMA (matures 2003; 6.5% interest rate)	741	1,278
GNMA (matures 2003; 6.5% interest rate)	1,404	2,124
GNMA (matures 2001; 6.5% interest rate)	1,861	3,493

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

3. INVESTMENTS: (Continued)

Maturity over one year (Continued)

	<u>1999</u>	<u>1998</u>
GNMA (matures 2002; 6.5% interest rate)	918	1,684
GNMA (matures 2003; 6.5% interest rate)	1,466	2,197
GNMA (matures 2023; 6.0% interest rate)	<u>14,224</u>	<u>    --</u>
Total maturity over one year	<u>\$ 21,681</u>	<u>\$ 12,380</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Interest income	\$ 73,505	\$ 66,420
Net realized and unrealized gains (losses)	<u>(997)</u>	<u>(272)</u>
Total investment return	<u>\$ 72,508</u>	<u>\$ 66,148</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:

The Fire Department has a Simple retirement plan in accordance with Internal Revenue Code Sections 401(k)11 and 408(p). The plan allows individuals, employed over six months, that complete 1,000 hours of service and have reached 21 years of age, to defer up to 10% 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, 1999 and 1998 was \$20,445 and \$18,618, 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.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

7. 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 at June 30, 1999 are secured by pledged securities held in joint custody at the Federal Reserve Bank, New Orleans. Following is a schedule of uninsured bank balances for the year ending 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>
Whitney National Bank	\$104,286	\$ 100,000	\$ 4,286
Hibernia National Bank	<u>113,883</u>	<u>100,000</u>	<u>13,883</u>
	<u>\$218,169</u>	<u>\$ 200,000</u>	<u>\$ 18,169</u>

8. 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 was required to pay vacation, sick leave and holiday pay from previous years to employees. During the year ended June 30, 1999, \$52,169 was paid by the Fire Department to employees in settlement of claims. An additional \$13,703 was paid for payroll taxes, insurance and legal fees. The total disbursement by the Fire Department related to the lawsuit was \$65,872.

TERRYTOWN FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.  
 SUPPLEMENTARY INFORMATION  
 STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS  
 FOR THE YEAR ENDED JUNE 30, 1999

	<u>ADMINISTRATION</u>	<u>FIREFIGHTING</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Accounting	\$ 4,433	\$ 3,617	\$ --	\$ 8,050
Advertising and promotion	550	--	--	550
Bunker gear	--	24,164	--	24,164
Casualty losses	--	--	--	--
Convention expense	8,401	--	--	8,401
Donations	--	--	--	--
Depreciation	1,534	66,600	--	68,134
Dues and subscriptions	3,101	--	--	3,101
Emergency operations	--	2,280	--	2,280
Fire prevention expense	--	15,400	--	15,400
Fuel	--	6,529	--	6,529
Insurance - employees	2,964	128,728	--	131,692
Insurance - general	581	25,247	--	25,828
Insurance - vehicles	--	1,089	--	1,089
Labor - salaries - wages	14,820	643,550	--	658,370
Ladies auxiliary expense	--	--	5,541	5,541
Legal	32	1,368	--	1,400
Licenses and taxes	63	--	--	63
Medical expenses - employees/ members	196	8,492	--	8,688
Medical supplies	--	1,275	--	1,275
Meetings	43	1,867	--	1,910
Membership expense	--	19,738	--	19,738
Miscellaneous expense	155	6,747	--	6,902
Office expense and supplies	7,214	--	--	7,214
Payroll taxes	1,090	47,325	--	48,415
Pension plan expense	460	19,985	--	20,445
Pest control	61	2,653	--	2,714
Photo lab expense	--	1,785	--	1,785
Postage	2,025	--	--	2,025
Repairs and maintenance	--	98,389	--	98,389
Social fund expense	--	--	3,260	3,260
Supplies - cleaning	44	1,904	--	1,948
Supplies - other	--	28,508	--	28,508
Telephone - firehouses	98	4,249	--	4,347
Training expenses	--	473	--	473
Uniforms and badges	--	12,031	--	12,031
Utilities and telephone - residences	--	6,234	--	6,234
Utilities - firehouses - Heritage	303	13,167	--	13,470
Utilities - firehouses - Other	--	21,137	--	21,137
Vice President's account expense	--	--	5,325	5,325
Video expense	--	500	--	500
Voluntary contribution expense	--	--	2,519	2,519
Waste control	--	1,502	--	1,502
<b>TOTAL</b>	<b>\$ 48,168</b>	<b>\$ 1,216,533</b>	<b>\$ 16,645</b>	<b>\$ 1,281,346</b>

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  
 STATEMENTS OF REVENUE COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 SPECIAL FUND  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<b>REVENUE:</b>		
Jefferson Parish millage	\$ 1,050,000	\$ 1,020,000
Fire insurance rebate	47,963	46,744
Jefferson Parish sales tax rebate	16,000	16,000
Chauffers fund	33,000	36,000
Investment return	59,893	51,325
Miscellaneous	15,280	3,371
Total revenue	1,222,136	1,173,440
<b>OPERATING EXPENSES:</b>		
Accounting	8,050	7,900
Advertising and promotion	550	689
Bunker gear	24,164	17,388
Casualty losses	--	313
Convention expense	6,343	3,014
Donations	--	100
Dues and subscriptions	3,101	3,580
Emergency operations	2,280	926
Fuel	6,529	6,624
Fire prevention expense	15,400	10,712
Insurance expense - general	25,828	26,779
Insurance - employees	131,692	123,209
Labor - salaries - wages	658,370	568,400
Legal	1,400	7,570
Licenses and taxes	63	5
Membership expense	614	764
Medical expense/supplies	9,963	3,695
Miscellaneous expense	6,902	2,527
Meetings	1,910	1,762
Office expense/supplies	7,143	5,252
Payroll taxes	48,415	42,921
Photo lab expense	1,785	1,620
Pension plan expense	20,445	18,618
Pest control	2,714	4,065
Postage	1,575	1,083
Repairs and maintenance radios	2,979	7,892
Repairs and maintenance residence	104	344
Repairs and maintenance fire houses	31,023	56,131
Repairs and maintenance fire equipment	54,500	97,382
Repairs and maintenance Chief's car	597	195
Repairs and maintenance utility truck	1,101	2,133
Repairs and maintenance station equipment	4,145	4,193
Repairs and maintenance car #599	1,750	2,703
Repairs and maintenance lawn equipment	2,190	--

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, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
OPERATING EXPENSES: (Continued)		
Supplies - fire fighting	\$ 10,768	\$ 15,098
Supplies - shop maintenance	1,247	429
Supplies - cleaning	1,948	2,943
Supplies - firehouses	16,275	16,765
Telephone - firehouses	4,347	7,689
Training expense	473	2,095
Uniforms and badges	10,384	9,356
Utilities - firehouses	34,607	35,589
Utilities and telephone - residence	6,234	6,444
Waste control	1,502	1,474
Video expense	500	73
Depreciation expense	68,134	82,475
Total operating expenses	<u>1,240,044</u>	<u>1,210,919</u>
NET REVENUE (EXPENDITURES)	\$ <u>(17,908)</u>	\$ <u>(37,479)</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, 1999

August 27, 1999

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, 1999, and have issued our report thereon dated August 27, 1999. 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 management, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Diplante, Hapmann, Hogan & Maher LLP*