

Chief Ray Roy
and the Board of Directors
Bayou LaLatre Fire Department
Bayou, Louisiana

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Findings

There is a lack of adequate controls over fundraising cash collections and the reconciliation of remaining promotional items.

Recommendations

For fundraising activities, control over cash should be provided by use of pre-numbered receipt forms, assignment of committees for cash collections and reconciliation of items or tickets sold to cash collected.

Responses

Every effort will be made to place adequate controls over fundraising activities.

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.

Our 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, we believe none of the reportable conditions described above is a material weakness.

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

O. Scott Brughman, CPA, PCMA
O. Scott Brughman, CPA
& Professional Accounting Corporation

Bayou, Louisiana
June 25, 1993

O. Scott Brupbacher

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN ASSESS OF GENERAL PURPOSE OR
BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Chief Ray Ray
and the Board of Directors
Bayou Volunteer Fire Department
Bayou, Louisiana

We have audited the financial statements of the Bayou Volunteer Fire Department, Bayou, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated June 26, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 Bayou Volunteer 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 Bayou Volunteer Fire Department, Bayou, Louisiana, for the year ended December 31, 1996, 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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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Chief Wey Ray
and the Board of Directors
Bayne Volunteer Fire Department
Bayne, Louisiana

We have audited the financial statements of the Bayne Volunteer Fire Department, Bayne, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated June 25, 1997.

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 the Bayne Volunteer Fire Department, Bayne, Louisiana, is the responsibility of the Bayne Volunteer 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 Bayne Volunteer 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 under Government Auditing Standards.

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

O. Scott Brupbacher, CPA, P.A.

O. Scott Brupbacher, CPA
A Professional Accounting Corporation

Bayne, Louisiana
June 25, 1997

RAYON VOLUNTEER FIRE DEPARTMENT

NOTED TO FINANCIAL STATEMENTS
DECEMBER 31, 1994

(2) Property, Plant, and Equipment

Property, plant, and equipment are summarized by major classifications as follows:

	December 31, <u>1994</u>	Additions	Deductions	December 31, <u>1993</u>
Land	\$ 10,000	\$ 0-	\$ 0-	\$ 10,000
Buildings	41,000	0-	0-	41,000
Improvements				
-Buildings	5,400	1,700	0-	9,100
Trucks	274,400	0-	0-	274,400
Equipment	<u>107,300</u>	<u>30,000</u>	<u>0-</u>	<u>137,300</u>
Totals	<u>\$ 538,100</u>	<u>\$ 31,700</u>	<u>\$ 0-</u>	<u>\$ 642,000</u>

Accumulated depreciation and depreciation expense of the major classes of plant and equipment as of December 31, 1994 are as follows:

	Accumulated <u>1994</u>	Expense <u>1994</u>
Buildings	\$ 20,000	\$ 1,000
Improvements		
-Building	5,500	110
Trucks	240,700	11,000
Equipment	<u>128,800</u>	<u>10,700</u>
Totals	<u>\$ 395,000</u>	<u>\$ 22,810</u>

(3) Accounts Payable

As of December 31, 1994 the accounts payable consisted of the following:

	December 31, <u>1994</u>
Supplies	\$ 300
Miscellaneous	80
	<u>\$ 380</u>

(4) Notes Payable

As of December 31, 1994, there were no notes payable recorded.

(5) Government Grants

The Rayon Volunteer Fire Department received delivery in January 1997 of a pickup truck ordered in October of 1994. The truck is an emergency use vehicle.

RAYNE VOLUNTARY FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1994

(1) Summary of Significant Accounting Policies

(a) Nature of Business--

The Rayne Volunteer Fire Department was formed as a nonprofit association under the laws of the State of Louisiana, to provide fire protection services for the City of Rayne and certain rural communities. This corporation was formed January 22, 1994 under the provisions of R.S. 1990, Title 17 Chapter 2, as amended.

(b) Basis of Accounting--

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the account and reported in the financial statements. The accounting policies of the Rayne Volunteer Fire Department conform to generally accepted accounting principles. The Fire Department's policy is to prepare its financial statements using the modified accrual method of accounting. The revenues are recognized when they become measurable and available and expenses are recognized when the related liability is incurred.

(c) Property and Depreciation--

All property, plant, and equipment are recorded at cost. Depreciation is provided on assets on a straight-line method over the estimated useful life of the asset. It is estimated that the trucks have a useful life of twenty years. Life of any other equipment is estimated to be ten years.

(d) Estimates--

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

(2) Cash and Investments

Cash consists of amounts in demand deposit, and interest bearing demand deposit accounts with financial institutions and is federally insured. Investments at December 31, 1994 consisted of time certificates of deposits held at Federally insured financial institutions.

At December 31, 1994, the carrying amount of the department's deposits was \$154,384 and the book balance was \$154,072. The deposits were covered by Federal depositary insurance.

RAINE VOLUNTEER FIRE DEPARTMENT
RAINE, LOUISIANA

Exhibit C

STATEMENT OF CASH FLOW
Year Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 3,423	\$ 22,377
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	28,841	28,124
Increase/ decrease in accounts payable	638	180
Increase/ decrease in prepaid expenses	188	280
Increase (decrease) in accounts payable	<u>1,482</u>	<u>5,221</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 34,573</u>	<u>\$ 56,182</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment	<u>\$ 32,788</u>	<u>\$ 3,884</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 32,788</u>	<u>\$ 3,884</u>
NET INCREASE (DECREASE) IN CASH	\$ 1,785	\$ 52,298
CASH AT BEGINNING OF YEAR	<u>168,728</u>	<u>116,430</u>
CASH AT END OF YEAR	<u>\$ 170,513</u>	<u>\$ 168,728</u>

See Notes to Financial Statements

WASH VOLUNTEER FIRE DEPARTMENT
BAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Years ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Local Government Donations	\$ 24,880	\$ -0-
Fundraising Income	1,340	10,468
Insurance Income	4,344	5,773
Insurance Reimbursement	28,320	20,880
Miscellaneous Income	4,068	7,102
Total Revenues	<u>\$ 62,952</u>	<u>\$ 44,223</u>
Expenditures:		
Building maintenance	\$ 1,900	2,875
Fundraiser food purchases	1,100	-0-
Fundraiser beverage purchases	1,493	1,812
Fundraiser entertainment	1,920	1,375
Professional fees	1,820	1,580
Office expense	1,423	485
Insurance	4,421	4,875
Uniform expense	2,223	2,125
Supplies/Repairs & Maintenance	8,643	8,880
Meeting expense	4,370	3,424
Depreciation	29,840	28,124
Training expense	2,821	2,915
Miscellaneous	2,250	2,022
Total expenditures	<u>\$ 62,381</u>	<u>\$ 57,208</u>
Excess of revenues over expenditures	\$ 571	\$ 13,077
Fund balance, Beginning of year	<u>108,482</u>	<u>92,366</u>
Fund balance, end of year	<u>\$ 109,053</u>	<u>\$ 105,443</u>

See Notes to Financial Statements

KATON VOLUNTEER FIRE DEPARTMENT

KATON, LOUISIANA

COMPARATIVE BALANCE SHEETS
December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Current Assets:		
Cash	\$ 62,000	\$ 74,877
Investments	90,420	88,881
Accrued Interest	151	760
Prepaid Expenses	-0-	188
Total current assets	<u>\$ 152,671</u>	<u>\$ 164,886</u>
Fixed Assets: net of accumulated depreciation:		
Land	\$ 10,000	\$ 10,000
Buildings and Improvements	30,804	27,499
Trucks and Equipment	<u>204,260</u>	<u>202,478</u>
Total fixed assets	<u>\$ 245,064</u>	<u>\$ 239,977</u>
Total assets	<u>\$ 397,735</u>	<u>\$ 394,863</u>
LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts Payable	\$ 300	\$ 3,220
Fund Balance:		
Fund Balance--unreserved, undesignated	<u>\$ 397,435</u>	<u>\$ 391,643</u>
Total Liabilities and fund balance	<u>\$ 397,735</u>	<u>\$ 394,863</u>

See notes to Financial Statements

FINANCIAL STATEMENTS

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Chief Ray Ray
Bryce Volunteer Fire Department
Bryce, Louisiana

We have audited the accompanying financial statements of the Bryce Volunteer Fire Department, as of and for the year ended December 31, 1999 as listed in the table of contents. These financial statements are the responsibility of the Bryce Volunteer 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. These 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 our audit provides a reasonable basis for our opinion.

Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances, except that the costs of the equipment portion of the fixed assets acquired prior to January 1, 1999 were not verified. Since individual property records were not maintained prior to January 1, 1999, it was not practical for us to determine the cost of such assets for the prior years.

In our opinion, with the exception stated above, the general purpose financial statements of the Bryce Volunteer Fire Department present fairly, in all material respects, the financial position of the Bryce Volunteer Fire Department, at December 31, 1999 and the results of its operations and cash flow for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

O. Scott Brupbacher, CPA, AIA

O. Scott Brupbacher, CPA
A Professional Accounting Corporation

Bryce, Louisiana
June 15, 1999

CONTENTS

	Exhibits/ Schedule	Page
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	-	1
FINANCIAL STATEMENTS	-	3
Comparative balance sheets	A	4
Statement of revenues, expenditures, and changes in fund balances-- governmental fund type	B	6
Combining statement of changes in assets and liabilities	C	6
NOTES TO FINANCIAL STATEMENTS		7-8
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN ASPECT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	-	9
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN ASPECT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	-	11-12