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**NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Financial Statements and Independent Auditor's Report
As of and for the Year Ended December 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-23-00

Anthony B. Baglio, C.P.A., A.P.A.C.
Certified Public Accountants

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 As of and for the Year Ended December 31, 1999
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ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504)542-4155

INDEPENDENT AUDITOR'S REPORT

The Honorable Emmett J. Perilloux, Fire Chief
and Members of the Board of Directors
Natalbany Volunteer Fire Department, Inc.
Natalbany, Louisiana

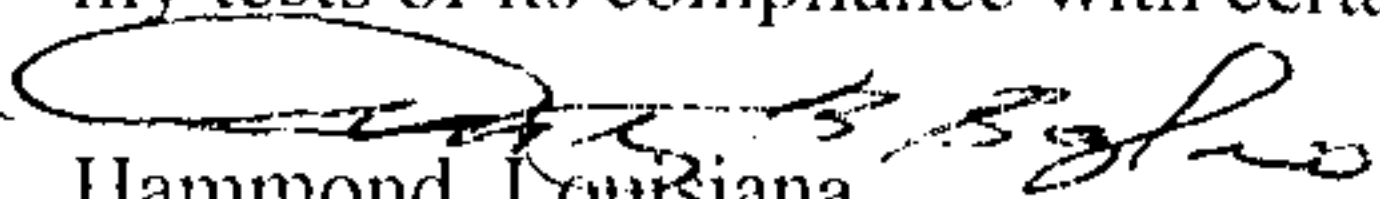
I have audited the accompanying statement of financial position of Natalbany Volunteer Fire Department, Inc. (Natalbany) (a non-profit organization) as of December 31, 1999, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 applicable to financial audits contained in *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 Natalbany, 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 other transactions of Natalbany as of December 31, 1999, and the changes in its net assets and its cash flows arising from appropriations and certain other transactions for the year then ended in conformity with general accepted accounting principles.

In accordance with *Governmental Auditing Standards*, I have also issued a report dated June 7, 2000, on my consideration of Natalbany's internal control structure over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.


Hammond, Louisiana

June 7, 2000

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Statement of Financial Position
Arising from Appropriations and Certain Other Transactions
As of and for the Year Ended December 31, 1999

ASSETS

Current assets:

Cash and cash equivalents	\$ 106,474
Receivable -- parish allocation	35,734
Receivable -- revenue sharing	17,632
Receivable -- revenue sharing payback	2,393
Prepaid insurance	1,662

Total current assets	163,895
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Restricted assets:

Security deposits	455
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Total restricted assets	455
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Property plant and equipment:

Donated vehicle	35,000
Less: accumulated depreciation	(35,000)

Net property plant and equipment	0
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Other assets

Security deposit	1,204
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Total other assets	1,204
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TOTAL ASSETS	\$ 165,554
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See accompanying notes to financial statements.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2

Statement of Financial Position

Arising from Appropriations and Certain Other Transactions

As of and for the Year Ended December 31, 1999

LIABILITIES & NET ASSETS

Current liabilities:

Accounts payable	\$ 4,993
Accrued salaries & related benefits	6,964
Payroll taxes payable	2,292
Security deposits payable	400
Current portion long-term debt	10,930

Total current liabilities 25,579

Long-term liabilities:

Notes payable	18,676
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Total long-term liabilities 18,676

Net assets:

Temporarily restricted	121,299
------------------------	---------

Total net assets 121,099

TOTAL LIABILITIES & NET ASSETS \$ 165,554

See accompanying notes to financial statements.

**NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAOA PARISH FIRE PROTECTION DISTRICT NO. 2**

Statement of Activities
Year Ended December 31, 1999

	Temporarily Restricted
<u>REVENUES, AND</u>	
<u>OTHER SUPPORT</u>	
Support & revenue	
Parish allocation	\$ 142,938
2% Fire rebate	14,350
Parish council	
Revenue sharing	53,131
State rev. sharing- payback	9,570
Weyerhaeuser EMS donation	1,200
Miscellaneous income	1,500
Interest	2,818
Supplemental pay income	10,460
	235,967
 Total support and revenue	
 <u>EXPENSES</u>	
Program expenses	
Bank charges	2
Capital expenditures	32,297
Capital exp. – bldg. #2	5,710
Dues and subscriptions	371
Employee benefits	2,689
Gas and oil	4,386
Insurance -- liability	17,247
Interest	1,928
Janitorial	150
Meals	209
Office supplies	1,271
Outside services	385
Payroll taxes	7,645
Postage and freight	465
Professional fees	5,425
Rent	100
Repairs – trucks	12,667

See accompanying notes to financial statements.

**NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2**

Statement of Activities
Year Ended December 31, 1999

	Temporarily Restricted
Repairs and maintenance	
Radio equipment	905
Rescue equipment & repairs	44
Yard care	60
Salaries & wages	99,932
Salaries – supplemental pay	10,460
Supplies – station	1,446
Supplies – EMS/fire prevention	2,526
Taxes and licenses	132
Telephone	3,296
Training	1,644
Turn out gear	1,315
Uniforms	310
Utilities	4,452
 Total expenses	 219,469
 Change in net assets	 16,498
 Net assets at beginning of year	 104,801
 Net assets at end of year	 \$ 121,299

See accompanying notes to financial statements.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
Statement of Cash Flows
Year Ended December 31, 1999

OPERATING ACTIVITIES:

Change in net assets	\$ 16,498
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in operating assets	
Receivables	4,066
Prepaid insurance	19
Investment in certificate of deposit	4,086
Increase (decrease) in operating liabilities	
Accounts payable	(288)
Accrued salaries	1,134
Accrued payroll taxes payable	20
Security deposits payable	(200)

NET CASH PROVIDED BY OPERATING ACTIVITIES	25,335
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INVESTING ACTIVITIES:

Increase in restricted assets	(10)
Decrease in investments	8,272

NET CASH USED IN INVESTING ACTIVITIES	8,262
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FINANCING ACTIVITIES:

Repayment of long-term debt	(10,960)
Repayment of short-term debt	288

NET CASH USED IN FINANCING ACTIVITIES	(10,672)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	22,925
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	83,549
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CASH AND CASH EQUIVALENTS, END OF YEAR	106,474
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for interest	\$ 1,928
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See accompanying notes to financial statements.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2

Notes to Financial Statements

As of and for the Year Ended December 31, 1999

1-NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Natalbany Volunteer Fire Department, Inc. (Natalbany) and nine other fire departments comprise Tangipahoa Parish Fire Protection District No. 2 (Tangipahoa). Tangipahoa receives ad valorem taxes, state revenue sharing, and 2 percent 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. In recent years with the formation of the 911 system in the parish, the responsibility of the fire department now includes handling certain 911 calls.

The annual agreement provides that the appropriation of revenue from Tangipahoa 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 Natalbany ensuing from appropriations of Tangipahoa, 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.

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 177, the Organization 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.

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2

Notes to Financial Statements (Continued)
As of and for the Year Ended December 31, 1999

C. Contributions

Natalbany has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

D. Income Taxes

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

E. Investments

Time deposits with remaining maturities of 90 days or more are considered to be investments. Investments are carried at cost which approximates market.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, Natalbany considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates market, and are insured through the Federal Deposit Insurance Corporation (FDIC).

G. Property and Equipment

It is Natalbany's policy to expense all assets purchased with appropriations from Tangipahoa, because they are owned by Tangipahoa as stated in the contract between Tangipahoa and the ten individual fire departments. Fixed assets are expensed at the time of purchase. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, Natalbany reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Natalbany reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using straight-line method.

**NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2**

Notes to Financial Statements (Continued)
As of and for the Year Ended December 31, 1999

II. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2 – PROPERTY AND EQUIPMENT

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

3 – RETIREMENT SYSTEM

Employees of Natalbany Volunteer Fire Department, Inc. (Natalbany) participate in the Social Security System. Natalbany uses appropriations from Tangipahoa to provide the employer matching portions of the social security contribution. Neither Natalbany nor Tangipahoa 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. Natalbany pays the monthly premiums on the retirement policy. However, neither Natalbany nor Tangipahoa have any liability for pension benefits paid upon retirement. Total retirement expense for the year ended December 31, 1999, was \$1,800.

4 – VACATION AND SICK LEAVE

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

5 – LONG-TERM OBLIGATIONS

Natalbany Volunteer Fire Department, Inc. (Natalbany) obtained a loan through the Community Facilities Loans Program from the Farmers Home Administration, United States Department of Agriculture, totaling \$90,000. 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 16, 1983 on one 1983 F-702 Ford fire truck and its related equipment. Natalbany 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 GMAC Commercial Mortgage Corporation. At December 31, 1999, the balance of this loan was \$24,704. Total interest expense for the year ended December 31, 1999, was \$1,398.

**NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2**

Notes to Financial Statements (Continued)
As of and for the Year Ended December 31, 1999

Maturities on long term debt are as follows:

Year ended December 31	Amount
2000	\$ 6,028
2001	6,337
2002	6,661
2003	5,678

	\$24,704
	=====

On October 31, 1995, Natalbany obtained an additional loan from Community State Bank in the amount of \$23,025. The proceeds from this loan were used to build a second fire station and is payable over a five year period with monthly payments of \$456. At December 31, 1999, the balance of this loan was \$4,902. Total interest expense for the year ended December 31, 1999 was \$530.

Maturities on long term debt are as follows:

Year ended December 31	Amount
2000	4,902

	\$4,902
	=====

6 – RESTRICTED NET ASSETS

The net assets are restricted to the same donor restrictions placed on the appropriations by Tangipahoa Parish Fire Protection District No. 2, namely funds may only be expended for the purpose of operating, maintaining, and/or purchasing of equipment and supplies subject to the public bid law for Natalbany. Additionally, the money may be expended for salaries if approved by Tangipahoa.

7 – LEASES

Natalbany is subleasing the land on which the first fire station is located from Tangipahoa, a related party. Tangipahoa has the lease with a corporation for 25 years with an option to renew for an additional 25 years for \$50. per year. The lease began on April 01, 1981. All terms of Tangipahoa's lease with the corporation are binding on Natalbany. The lease requires Natalbany 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 \$50.

**NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2**

Notes to Financial Statements (Continued)
As of and for the Year Ended December 31, 1999

The future minimum lease payments are as follows:

2000	\$ 50
2001	50
2002	50
2003	50
2004-2006	100

	\$300
	=====

In a separate lease agreement, Natalbany is subleasing from Tangipahoa, a related party, land on which a second fire station was erected. Tangipahoa has the lease with an individual for 50 years with an option to renew for an additional 50 years for \$50. per year. The lease began on June 24, 1992. All terms of Tangipahoa's lease with the individual are binding on Natalbany. The lease requires Natalbany 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 \$50.

The future minimum lease payments are as follows:

2000	\$ 50
2001	50
2002	50
2003	50
2004-2044	1,950

	\$2,150
	=====

8 – CONTRACTS

Natalbany, has entered into an agreement with Bell South Mobility in which four employees of the Natalbany Fire Department are eligible to obtain cellular phone services under a governmental rate plan. Natalbany acts as an agent for the employees, but the bills are sent to the employees for payment. The Natalbany Fire Department holds full responsibility for all air time, access charges, and any other applicable fees due and payable to Bell South Mobility. Natalbany requires all employees applying for the cellular phone service to pay a deposit of \$ 100 to be used as reimbursement in case of forfeiture. At December 31, 1999, the cellular phone security deposit payable account had a balance of \$400.

**NATALBANY VOLUNTEER FIRE DEPARTMENT, INC.
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2**

Notes to Financial Statements (Continued)
As of and for the Year Ended December 31, 1999

9 – DONATED MATERIALS AND SERVICES

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

10 – YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Natalbany's operations in the 1999 and beyond. The Natalbany Volunteer Fire Department uses an outside accounting firm to process its accounting. This outside firm is of the opinion they are year 2000 compliant. Natalbany is dependent on funding from various sources. The effect, if any, the year 2000 compliance would have on Natalbany's ability to obtain funding is not determinable.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Natalbany's remediation efforts will be successful in whole or in part, or that the individuals and or agencies that fund Natalbany will be year 2000 ready.

11 – ON BEHALF PAYMENTS MADE BY STATE OF LOUISIANA

For the year ended December 31, 1999, the State of Louisiana made on behalf payments in the form of supplemental pay to employees of the fire department. In accordance with GASB 24, Natalbany has recorded \$10,460 for the year ended December 31, 1999, of on behalf payments as revenue and as expenditures.

Internal Control Structure and Compliance Report
As of and for the Year Ended December 31, 1999

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504) 542-4155

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

The Honorable Emmett J. Perilloux, Fire Chief
and Members of the Board of Directors
Natalbany Volunteer Fire Department, Inc.
Natalbany, Louisiana

I have audited the financial statements of Natalbany Volunteer Fire Department, Inc. (Natalbany) (a non-profit organization) as of and for the year ended December 31, 1999, and have issued my report thereon dated June 7, 2000. I conducted my 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 the Natalbany Volunteer Fire Department, Inc. financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*. However, I noted a certain immaterial instance of noncompliance that I have reported to Natalbany's management in a separate letter dated June 7, 2000.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Natalbany's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses. However, I noted a matter involving the internal control over financial reporting that I have reported to the management of Natalbany, in a separate letter dated June 7, 2000.

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


Hammond, Louisiana
June 7, 2000

**NATALBANY VOLUNTEER FIRE DEPARTMENT, INC
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2**

Summary Schedule of Prior Year Audit Findings
As of and for the Year Ended December 31, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Corrective Action Planned</u>
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Section I - Compliance and Internal Control Material to the Financial Statements

No prior year audit findings

Section II - Management Letter

1	Dec-97	Inadequate Internal Control	No	Would not be cost beneficial since there is only one person in office
2	Dec-97	Deposits are not being made in a timely fashion	Partially	Is working to get deposits in more frequently

NATALBANY VOLUNTEER FIRE DEPARTMENT, INC
TANGIPAHOA PARISH FIRE PROTECTION DISTRICT NO. 2
 Corrective Action Plan for Current Year Audit Findings
 As of and for the Year Ended December 31, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Contact Person</u>	<u>Anticipated Completion Date</u>
Section I- Internal Control and Compliance Material to the Financial Statements				
No Current Year Audit Findings				
Section II - Management Letter				
99-1	Inadequate internal control	None	Emmitt Perrilloux	N/A
99-2	Deposits are not being made in a timely fashion	Partial	Emmitt Perrilloux	Now

Management Letter

As of and for the Year Ended December 31, 1999

ANTHONY B. BAGLIO, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 Rue Simone
Hammond, Louisiana 70403
(504)542-4155

MANAGEMENT LETTER

The Honorable Emmett J. Perilloux, Fire Chief
and Members of the Board of Directors
Natalbany Volunteer Fire Department, Inc.
Natalbany, Louisiana

Gentlemen:

In planning and performing my audit of the financial statements of the Natalbany Volunteer Fire Department, Inc for the year ended December 31, 1999, I considered the Natalbany Volunteer Fire Department's internal control structure to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit, I noted certain matters, involving the internal control structure and other operational matters that are presented for your consideration. I previously reported on the Natalbany Volunteer Fire Department's internal control structure in my report dated June 7, 2000. This letter does not affect my report dated June 7, 2000, on the financial statements of Natalbany Volunteer Fire Department, Inc.

I will review the status of these comments during my next audit engagement. My comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. I will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. My comments are summarized as follows:

FINDING NO. 99-1

INADEQUATE INTERNAL CONTROL

It was noted that there was inadequate internal control and other features normally present in an effective internal control system.

RECOMMENDATION

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

The Honorable Emmett J. Perilloux, Fire Chief
and Members of the Board of Directors
June 7, 2000
Page 2

MANAGEMENT RESPONSE

Due to small size of our staff, it would not be feasible to change our internal control.

FINDING NO. 99-2

DEPOSITS NOT MADE IN A TIMELY FASHION

It was noted during the audit that deposits were not being made daily or shortly thereafter.

RECOMMENDATION


Make deposits as soon as possible after funds are received, preferably the same day.

MANAGEMENT RESPONSE

We will make more frequent deposits.

I would like to thank you for the helpful cooperation I received during my audit.

This report is intended for the information of management and the Louisiana Legislative Auditor.
This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Anthony B. Baglio, CPA, APAC
Hammond, Louisiana
June 7, 2000