

REPORT  
HARVEY VOLUNTEER FIRE CO., NO. 2  
DECEMBER 31, 2000 AND 1999

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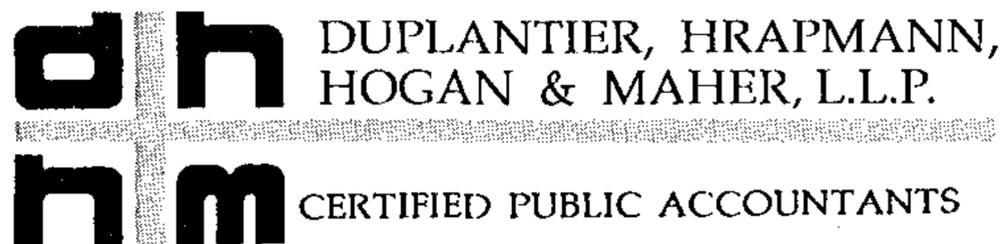
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HARVEY VOLUNTEER FIRE CO., NO. 2

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## INDEPENDENT AUDITOR'S REPORT

March 15, 2001

Board of Directors  
Harvey Volunteer Fire Co., No. 2  
P. O. Box 1053  
Harvey, Louisiana 70059

We have audited the accompanying statements of financial position of Harvey Volunteer Fire Co., No. 2 (a Louisiana nonprofit corporation) as of December 31, 2000 and 1999 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Harvey Volunteer Fire Co., No. 2'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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harvey Volunteer Fire Co., No. 2 as of December 31, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2001 on our consideration of the Harvey Volunteer Fire Co., No. 2's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Duplantier, Hapmann, Hogan & Meher LLP

HARVEY VOLUNTEER FIRE CO., NO. 2  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2000 AND 1999

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
<b>CURRENT ASSETS:</b>		
Cash in banks (Notes 1 and 2)	\$ 150,927	\$ 143,992
Cash in savings accounts (Notes 1 and 2)	154,211	116,880
Certificates of deposit (Note 3)	63,959	61,508
Credit Union and life insurance receivable	--	354
Prepaid expenses	11,435	10,549
Total current assets	<u>380,532</u>	<u>333,283</u>
<b>PROPERTY, PLANT AND EQUIPMENT: (Note 1)</b>		
Land and land improvements	18,787	18,787
Furniture and fixtures	62,263	56,226
Autos and trucks	129,967	129,967
Equipment	2,013,286	1,941,406
Building improvements	80,422	80,422
Total	<u>2,304,725</u>	<u>2,226,808</u>
Less: Accumulated depreciation	1,836,078	1,717,563
Net property, plant and equipment	<u>468,647</u>	<u>509,245</u>
<b>OTHER ASSETS:</b>		
Certificate of deposit (Note 3)	<u>16,448</u>	<u>15,465</u>
Total other assets	<u>16,448</u>	<u>15,465</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>865,627</u></b>	<b>\$ <u>857,993</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 13,339	\$ 12,077
Salaries payable	23,309	10,673
Due to employees	--	1,419
Note payable (Note 5)	26,735	25,759
Insurance claims payable (Note 4)	10,181	20,460
Total current liabilities	<u>73,564</u>	<u>70,388</u>
<b>LONG-TERM LIABILITIES:</b>		
Note payable - (net of current portion)	<u>157,663</u>	<u>184,398</u>
Total long-term liabilities	<u>157,663</u>	<u>184,398</u>
Total liabilities	<u>231,227</u>	<u>254,786</u>
<b>NET ASSETS:</b>		
Unrestricted	<u>634,400</u>	<u>603,207</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>865,627</u></b>	<b>\$ <u>857,993</u></b>

See accompanying notes.

HARVEY VOLUNTEER FIRE CO., NO. 2  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
UNRESTRICTED NET ASSETS:		
REVENUE: (Note 1)		
Jefferson Parish millage	\$ 1,200,000	\$ 1,200,000
Jefferson Parish sales tax	27,000	27,000
Miscellaneous	3,738	4,531
Fund raising	740	233
Insurance rebate	50,630	50,810
Interest	7,380	4,926
Other Parish revenues	12,000	42,000
Rental	6,500	6,000
Total revenue	<u>1,307,988</u>	<u>1,335,500</u>
EXPENSES: (Pages 5 and 6)		
Firefighting	1,072,423	1,052,770
Administrative and general	202,413	135,108
Fundraising	1,959	--
Total expenses	<u>1,276,795</u>	<u>1,187,878</u>
INCREASE IN UNRESTRICTED NET ASSETS	31,193	147,622
Net assets, beginning of year	<u>603,207</u>	<u>455,585</u>
NET ASSETS, END OF YEAR	<u>\$ 634,400</u>	<u>\$ 603,207</u>

See accompanying notes.

HARVEY VOLUNTEER FIRE CO., NO. 2  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2000

	Firefighting	Administrative and General	Fundraising	Total
<b>EXPENSES:</b>				
Accounting and legal	\$ 7,436	\$ 1,416	\$ --	\$ 8,852
Bank charges	15	3	--	18
Convention, seminars and classes	18,374	3,500	--	21,874
Copy machine	972	185	--	1,157
Depreciation	99,553	18,962	--	118,515
Dues and subscriptions	3,823	728	--	4,551
Meals and entertainment	12,067	2,298	--	14,365
Fuel	17,039	--	--	17,039
Fundraising - (Christmas/ Spring Campaign)	--	--	1,959	1,959
Gifts and flowers	368	70	--	438
Insurance	181,185	34,512	--	215,697
Interest	--	11,487	--	11,487
Medical supplies	1,198	--	--	1,198
Miscellaneous	21,074	4,014	--	25,088
Office supplies	4,976	948	--	5,924
Payroll processing	5,101	972	--	6,073
Payroll taxes	40,915	7,793	--	48,708
Postage	1,387	264	--	1,651
Promotional	6,560	1,250	--	7,810
Repairs and maintenance	30,026	5,719	--	35,745
Radio	4,800	--	--	4,800
Retirement	5,878	1,119	--	6,997
Salaries	540,633	102,978	--	643,611
Sale of assets	--	--	--	--
Telephone and utilities	22,022	4,195	--	26,217
Uniforms	6,713	--	--	6,713
Vehicle repairs	40,308	--	--	40,308
<b>TOTAL EXPENSES</b>	<b>\$ <u>1,072,423</u></b>	<b>\$ <u>202,413</u></b>	<b>\$ <u>1,959</u></b>	<b>\$ <u>1,276,795</u></b>

See accompanying notes.

HARVEY VOLUNTEER FIRE CO., NO. 2  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Firefighting</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>EXPENSES:</b>				
Accounting and legal	\$ 7,579	\$ 1,033	\$ --	\$ 8,612
Bank charges	373	51	--	424
Convention, seminars and classes	14,677	2,001	--	16,678
Copy machine	1,034	141	--	1,175
Depreciation	83,464	11,382	--	94,846
Dues and subscriptions	2,702	368	--	3,070
Meals and entertainment	13,926	1,899	--	15,825
Fuel	10,564	--	--	10,564
Fundraising - (Christmas/ Spring Campaign)	--	--	--	--
Gifts and flowers	582	79	--	661
Insurance	182,712	24,915	--	207,627
Interest	--	--	--	--
Medical supplies	844	--	--	844
Miscellaneous	29,293	3,995	--	33,288
Office supplies	9,650	1,316	--	10,966
Payroll processing	4,993	681	--	5,674
Payroll taxes	39,676	5,410	--	45,086
Postage	1,090	149	--	1,239
Promotional	7,113	970	--	8,083
Repairs and maintenance	21,940	2,992	--	24,932
Radio	8,543	--	--	8,543
Retirement	--	--	--	--
Salaries	545,859	74,434	--	620,293
Sale of assets	2,276	310	--	2,586
Telephone and utilities	21,871	2,982	--	24,853
Uniforms	4,879	--	--	4,879
Vehicle repairs	37,130	--	--	37,130
<b>TOTAL EXPENSES</b>	<b>\$ <u>1,052,770</u></b>	<b>\$ <u>135,108</u></b>	<b>\$ <u>--</u></b>	<b>\$ <u>1,187,878</u></b>

See accompanying notes.

HARVEY VOLUNTEER FIRE CO., NO. 2  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in unrestricted net assets	\$ 31,193	\$ 147,622
Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities:		
Depreciation	118,515	94,846
Loss on sale of property and equipment	--	2,586
Interest income on certificates of deposit	(3,434)	(3,220)
(Increase) decrease in prepaid expenses	(886)	1,581
(Increase) decrease in insurance accounts receivable	--	3,257
(Increase) decrease in Credit Union and life insurance receivable	354	238
Increase (decrease) in salaries payable	12,636	7,170
Increase (decrease) in accounts payable	1,262	(13,618)
Increase (decrease) in insurance claims payable	(10,279)	17,975
Increase (decrease) in due to employees	(1,419)	445
Net cash provided by operating activities	<u>147,942</u>	<u>258,882</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property and equipment	--	604
Purchase of property and equipment	<u>(77,917)</u>	<u>(158,696)</u>
Net cash used in investing activities	<u>(77,917)</u>	<u>(158,092)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on notes payable	<u>(25,759)</u>	--
Net cash used in financing activities	<u>(25,759)</u>	--
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 44,266	 100,790
 Cash and cash equivalents at beginning of year	 <u>260,872</u>	 <u>160,082</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 <u>\$ 305,138</u>	 <u>\$ 260,872</u>

See accompanying notes.

HARVEY VOLUNTEER FIRE CO., NO. 2  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

ORGANIZATION:

The fire department was organized on July 8, 1948 to provide the citizens in the Sixth Fire Protection District with fire protection and related services. The department is under a ten (10) year contract signed February 14, 1994 and effective for the period April 1, 1994 through March 31, 2004, with Jefferson Parish to provide fire protection to the Sixth Fire Protection District. The majority of the fire department's revenue is derived from this contract. The department also responds to emergencies consisting of floods, hurricanes, etc. The department consists of three fire stations.

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 and Presentation:

The fire department's policy is to prepare financial statements on the accrual basis. Under that basis, revenues are recognized when earned and expenses are recognized when incurred.

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. In addition, the fire department is required to present a statement of cash flows. As of December 31, 2000 and 1999, 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, administrative and general, and fund raising. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Revenue:

Under the current contract for the period April 1, 1994 through March 31, 2004, 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 Sixth Fire Protection District. In addition, the fire department receives quarterly subsidies per fire station.

The Jefferson Parish Millage Assessment that is allocated to the Sixth Fire Protection District has been 15 mills since January 1, 1991. An increase of 10 mills in the millage assessment was approved by a public election held in October 2000, and will be effective January 1, 2001. The amount received and used for operations was \$1,200,000 for 2000 and \$1,200,000 for 1999.

HARVEY VOLUNTEER FIRE CO., NO. 2  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue: (Continued)

In addition, the fire department receives revenue from the following:

- A) Jefferson Parish Sales Tax - amount received is based on the number of fire stations. The subsidy is received monthly at a rate of \$750 per fire station.
- B) Jefferson Parish Contributions - amount received is based on the number of fire stations. The subsidy is received quarterly at a rate of \$1,000 per fire station.
- C) Insurance Rebates - amount is received annually from the State of Louisiana through Jefferson Parish. The amount received is based on the number of homes within the fire district.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the fire department has defined cash and cash equivalents as all items on the statement of financial position identified as cash in banks and savings accounts as follows:

	<u>2000</u>	<u>1999</u>
Cash in banks	\$ 150,927	\$ 143,992
Cash in savings accounts	<u>154,211</u>	<u>116,880</u>
	<u>\$ 305,138</u>	<u>\$ 260,872</u>

Supplemental Disclosures of Cash Flow Information:

	<u>2000</u>	<u>1999</u>
Cash paid during the year for:		
Interest	\$ 11,487	\$ --
Taxes	--	--
Non-cash investing activities:		
Interest income on certificates of deposit rolled over	3,434	3,220
Non-cash investing and financing activities:		
Purchase of fire truck through issuance of notes payable	--	210,157

HARVEY VOLUNTEER FIRE CO., NO. 2  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property, Plant and Equipment:

Property, plant and equipment consists of automobiles, fire trucks, building improvements, fire equipment and office equipment which are all carried at cost, and are being depreciated over their estimated useful lives using accelerated methods. Depreciation expense for the years ended December 31, 2000 and 1999 was \$118,515 and \$94,846, respectively. The cost and accumulated depreciation are as follows:

	December 31, 2000		
	Property, Plant and Equipment - <u>Cost</u>	Accumulated <u>Depreciation</u>	Net Property, Plant and Equipment
Land and land improvements	\$ 18,787	\$ 5,422	\$ 13,365
Furniture and fixtures	62,263	46,073	16,190
Auto and trucks	129,967	105,385	24,582
Equipment	2,013,286	1,661,886	351,400
Building improvements	<u>80,422</u>	<u>17,312</u>	<u>63,110</u>
	<u>\$2,304,725</u>	<u>\$1,836,078</u>	<u>\$468,647</u>
	December 31, 1999		
	Property, Plant and Equipment - <u>Cost</u>	Accumulated <u>Depreciation</u>	Net Property, Plant and Equipment
Land and land improvements	\$ 18,787	\$ 4,436	\$ 14,351
Furniture and fixtures	56,226	41,407	14,819
Auto and trucks	129,967	90,846	39,121
Equipment	1,941,406	1,566,864	374,542
Building improvements	<u>80,422</u>	<u>14,010</u>	<u>66,412</u>
	<u>\$2,226,808</u>	<u>\$1,717,563</u>	<u>\$509,245</u>

HARVEY VOLUNTEER FIRE CO., NO. 2  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Donated Services:

No amounts have been reflected in the financial statements for donated services. Donated services were not recorded due to the fact that 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.

Reclassification:

Certain amounts for 1999 have been reclassified to conform with the 2000 presentation.

2. CASH:

Deposits are carried at cost.

	Rate of Interest <u>2000</u>	Reconciled Balance December 31, <u>2000</u>	Rate of Interest <u>1999</u>	Reconciled Balance December 31, <u>1999</u>
Whitney National Bank				
Operating	--	\$ 10,234	--	\$ 9,624
Payroll	--	103,873	--	93,568
Fund raising	--	1,581	--	841
General fund	--	24,960	--	43,732
Insurance disbursement	--	<u>10,279</u>	--	<u>(3,773)</u>
		<u>\$150,927</u>		<u>\$143,992</u>
Cash - Savings				
Whitney National Bank -- Hospitalization	1.74%	\$ 2,402	1.74%	\$ 27,638
Whitney National Bank - Harvey #2	1.74%	113,949	1.74%	77,459
Whitney National Bank - Sixth District	1.74%	<u>37,860</u>	1.74%	<u>11,783</u>
		<u>\$154,211</u>		<u>\$116,880</u>

Concentrations of Credit Risk:

As shown above, for the years ended December 31, 2000 and 1999, the fire department maintained its cash balances in one financial institution located in the New Orleans area. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At various times throughout the year balances at the financial institution were above the \$100,000 amount insured by the FDIC. At December 31, 2000 and 1999, the fire department's uninsured bank balances total \$211,160 and \$177,113, respectively.

HARVEY VOLUNTEER FIRE CO., NO. 2  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

3. CERTIFICATES OF DEPOSIT:

	Rate of Interest <u>2000</u>	<u>2000</u>	Rate of Interest <u>1999</u>	<u>1999</u>
Certificates of Deposit:				
Eureka Homestead Society				
Maturing 2/09/01 (6 months)	3.69%	\$13,162	3.69%	\$12,677
Maturing 8/17/01 (12 months)	4.34%	6,786	4.34%	6,447
Maturing 2/04/01 (6 months)	3.69%	25,842	3.69%	24,890
Maturing 6/12/01 (6 months)	3.69%	<u>18,169</u>	3.69%	<u>17,494</u>
Total current		63,959		61,508
Maturing 3/06/02 (60 months)	6.06%	<u>16,448</u>	6.06%	<u>15,465</u>
Total		<u>\$80,407</u>		<u>\$76,973</u>

4. SELF INSURANCE:

Harvey Volunteer Fire Company No. 2 has a self-insurance hospitalization plan. The self-insurance program involves co-insurance with an independent insurance company. The fire department is responsible for 100% of the first \$10,000 of claims per individual up to an aggregate amount of \$121,832 in 2000 and \$118,509 in 1999. Any claim in excess of \$10,000 or the aggregate is covered by the insurance company. The estimated claims payable for incurred but not reported claims at December 31, 2000 and 1999 was \$10,181 and \$20,460, respectively. These amounts are reflected as current liabilities on the statements of financial position.

During 2000 and 1999, Harvey Volunteer Fire Company No. 2 did not pay claims in excess of its self-insurance liability.

5. NOTE PAYABLE:

On October 13, 1999, the fire department incurred long-term debt in conjunction with the purchase of a new fire truck. The note is payable to Regions Bank in the amount of \$210,157. The note, which bears an interest rate of 5.7%, calls for annual principal and interest payments of \$37,246 beginning November 12, 2000, and the remaining payments due on the same day thereafter until paid in full on November 12, 2006.

The Company's debt consists of the following:

	<u>2000</u>	<u>1999</u>
Total note payable	\$184,398	\$210,157
Less: current portion	<u>26,735</u>	<u>25,759</u>
Long-term portion, net of current portion	<u>\$157,663</u>	<u>\$184,398</u>

HARVEY VOLUNTEER FIRE CO., NO. 2  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999

5. NOTE PAYABLE: (Continued)

The following is a schedule at December 31, 2000 of the maturities of the note payable along with related interest.

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12-31-2001	\$ 26,735	\$10,511	\$ 37,246
12-31-2002	28,259	8,987	37,246
12-31-2003	29,870	7,376	37,246
12-31-2004	31,557	5,689	37,246
12-31-2005	33,371	3,875	37,246
12-31-2006	<u>34,606</u>	<u>1,972</u>	<u>36,578</u>
TOTAL	<u>\$184,398</u>	<u>\$38,410</u>	<u>\$222,808</u>

6. INCOME TAXES:

The fire department is exempt from federal and state income taxes under the Internal Revenue Code 501(c)(3).

7. USE OF 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 differ from those estimates.

8. DEFINED CONTRIBUTION PLAN:

The fire department has a defined contribution plan in accordance with Internal Revenue Code Section 401(k). The plan allows full-time employees to defer up to 12% of their compensation. Voluntary contributions for 2000 and 1999 were \$22,373 and \$21,295, respectively.

Effective October 2000, the fire department approved an employer matching benefit, wherein the fire department will match voluntary employee contributions to the above plan up to 5% of annual salaries. The retirement expense for the employer matching contribution to the plan was \$6,997 in 2000.

HARVEY VOLUNTEER FIRE CO., NO. 2  
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 DECEMBER 31, 2000

March 15, 2001

To the Board of Directors  
Harvey Volunteer Fire Co., No. 2

We have audited the financial statements of Harvey Volunteer Fire Co., No. 2 (a Louisiana nonprofit corporation) as of and for the year ended December 31, 2000, and have issued our report thereon dated March 15, 2001.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to the 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 Harvey Volunteer Fire Co., No. 2's financial statements are free of material misstatement, we 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 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 Harvey Volunteer Fire Co., No. 2'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 the Board of Directors, management, and applicable parish, state or federal agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantis, Hagmann, Hogan & Baker LLP*