# *Financial Report*

## *Terrebonne Parish Fire District No. 4-A*

*Houma, Louisiana*

*December 31, 2001*

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## Terrebonne Parish Fire District No. 4-A

December 31, 2001


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# FINANCIAL SECTION

Bourgeois Bennett

# INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Fire District No. 4-A,
Houma, Louisiana.

We have audited the accompanying general-purpose financial statements of Terrebonne Parish Fire District No. 4-A (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Terrebonne Parish Fire District No. 4-A as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2002 on our consideration of Terrebonne Parish Fire District No. 4-A's internal control over financial reporting and our tests 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La,
February 15, 2002.

Exhibit A

# COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP

## Terrebonne Parish Fire District No. 4-A

December 31, 2001

| | Governmental Fund Type General | Account Group General Fixed Assets | Total (Memorandum Only) |
|---|---|---|---|
| **Assets** | | | |
| Cash | $ 14,189 | $ - | $ 14,189 |
| Investments | 218,815 | - | 218,815 |
| Receivables - taxes | 151,680 | - | 151,680 |
| Due from other governmental units | 162,094 | - | 162,094 |
| Deposits | 105 | - | 105 |
| Fixed assets | - | 1,329,839 | 1,329,839 |
| Total assets | $ 546,883 | $ 1,329,839 | $ 1,876,722 |
| **Liabilities** | | | |
| Accounts payable and accrued expenditures | $ 6,855 | | $ 6,855 |
| Due to Terrebonne Parish Consolidated Government | 2,746 | | 2,746 |
| Deferred revenue | 313,774 | | 313,774 |
| Total liabilities | 323,375 | | 323,375 |
| **Equity and Other Credits** | | | |
| Investment in general fixed assets | - | $ 1,329,839 | 1,329,839 |
| Fund balances - unreserved | 223,508 | - | 223,508 |
| Total equity and other credits | 223,508 | 1,329,839 | 1,553,347 |
| Total liabilities, equity and and other credits | $ 546,883 | $ 1,329,839 | $ 1,876,722 |

See notes to financial statements.

Exhibit C

# NOTES TO FINANCIAL STATEMENTS

## Terrebonne Parish Fire District No. 4-A

December 31, 2001

### Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Fire District No. 4-A (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2001.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

**b) Fund Accounting**

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**Governmental Fund**

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

Exhibit B

# STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPE - GENERAL FUND

## Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|
| **Revenues** | | | |
| Taxes | $ 290,348 | $ 301,850 | $ 11,502 |
| Intergovernmental: | | | |
| State of Louisiana: | | | |
| State revenue sharing | 3,365 | 10,395 | 7,030 |
| Fire insurance tax | 10,870 | 10,870 | - |
| Supplemental pay | - | 4,690 | 4,690 |
| Miscellaneous - interest | 13,214 | 13,618 | 404 |
| Total revenues | 317,797 | 341,423 | 23,626 |
| **Expenditures** | | | |
| Current: | | | |
| General Government: | | | |
| Ad valorem tax adjustment | 15,348 | 15,348 | |
| Ad valorem tax deductions | 13,398 | 13,398 | |
| Total general government | 28,746 | 28,746 | |
| Public Safety: | | | |
| Personal services | 137,343 | 144,294 | (6,951) |
| Supplies and materials | 33,875 | 35,100 | (1,225) |
| Other services and charges | 64,894 | 61,259 | 3,635 |
| Repairs and maintenance | 26,051 | 20,493 | 5,558 |
| Capital expenditures | 16,441 | 19,428 | (2,987) |
| Total public safety | 278,604 | 280,574 | (1,970) |
| Total expenditures | 307,350 | 309,320 | (1,970) |
| **Excess of Revenues over Expenditures** | $ 10,447 | 32,103 | $ 21,656 |
| **Fund Balance** | | | |
| Beginning of year | | 191,405 | |
| End of year | | $ 223,508 | |

See notes to financial statements.

## Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### b) Fund Accounting (Continued)

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**Account Group**

An account group is used to establish accounting control and accountability. The District's Account Group is as follows:

**General Fixed Assets Account Group** - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

### c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are recorded as revenues in the period for which levied, thus the 2001 property taxes which are being levied to finance the 2002 budget will be recognized as revenue in 2002. The 2001 tax levy is recorded as deferred revenue in the District's 2001 financial statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

### d) Use of Estimates

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

## Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget once for the year 2001. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

### f) Accounts Receivable

The financial statements of the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

### g) Investments

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met.

Investments during the year consisted of Certificates of Deposit and LAMP.

### h) Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

## Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### h) Fixed Assets (Continued)

Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost.

### i) Vacation and Sick Leave

Accumulated vacation and sick leave is recorded as an expenditure of the period in which paid in the Governmental Fund.

Full time employees are entitled to eighteen days vacation after one year of service. Each year the employee must take their vacation time before their anniversary date (day they first began working), if not taken by their anniversary date the vacation time is forfeited. The vacation period shall be increased one day for each year of service over ten years, up to a maximum vacation period of thirty days. There is no material accumulated vacation at December 31, 2001.

Every fireman in the employ of a fire protection district shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of not less than fifty-two weeks. A fireman employed by any fire protection district who draws full pay during sickness or incapacity shall have such pay decreased by the amount of workers' compensation benefits actually received by the employee. A fireman is entitled to sick leave benefits even though the injury or illness may have occurred while he was off duty. Firemen are not prohibited from engaging in part-time employment while receiving sick leave. A probationary firemen who is not a regular or permanent firemen is not entitled to sick leave benefits provided by the district. There is no accumulated sick leave for the District at December 31, 2001.

### j) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.

## Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### k) Memorandum Only - Total Column

The total column on the general-purpose financial statements is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does not present information that reflects financial position or results of operations in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

## Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

**Bank Deposits:**

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured or uncollateralized.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

The year end balances of deposits are as follows:

| | Bank Balances Category | | | Book |
|---|---|---|---|---|
| | 1 | 2 | 3 | Balance |
| Cash | $19,315 | $ - | $ - | $14,189 |

At December 31, 2001, cash was not in excess of FDIC insurance.

**Investments:**

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the Louisiana Asset Management Pool.

The year end balance of investments is as follows:

| | Reported Amount |
|---|---|
| Louisiana Asset Management Pool (LAMP) | $218,815 |

Investments in Louisiana Asset Management Pool are not categorized as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a

## Note 2 - DEPOSITS AND INVESTMENTS (Continued)

**Investments:** (Continued)

maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. Accordingly, the fair value of the District's position in LAMP is the same as the value of LAMP shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

## Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2001 was $9.15 per $1,000 of assessed valuation on property within Fire District No. 4-A for the purpose of constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes, including fire hydrant rentals and services. As indicated in Note 1c, taxes levied November 1, 2001 are for budgeted expenditures in 2002 and will be recognized as revenues in 2002.

## Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2001 consisted of the following:

| | |
|---|---|
| State of Louisiana - State revenue sharing | $ 6,630 |
| Terrebonne Parish Tax Collector - December, 2001 collections remitted to the District in January, 2002: | |
| Ad valorem taxes | 152,149 |
| State revenue sharing | 3,315 |
| Total | $162,094 |

## Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

| | Balance January 1, 2001 | Additions | Deletions | Balance December 31, 2001 |
|---|---|---|---|---|
| Land and buildings | $ 324,870 | $376,112 | $ - | $ 700,982 |
| Vehicles | 503,419 | 1,139 | - | 504,558 |
| Machinery and equipment | 110,637 | 16,190 | 19,718 | 107,109 |
| Office furniture and equipment | 17,190 | - | - | 17,190 |
| Construction in progress | 376,096 | - | 376,096 | - |
| Totals | $1,332,212 | $393,441 | $395,814 | $1,329,839 |

## Note 6 - DEFINED BENEFIT PENSION PLAN

**Plan Description** - The District contributes to the Firefighters' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 434 of the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System, 2051 Silverside Drive, Suite 210, Baton Rouge, LA 70808-4136.

**Funding Policy** - Plan members are required to contribute 8% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 9% of annual covered payroll. The contributions requirements of plan members and the District are established and may be amended by state statute. The District's contributions to the System for the years ending December 31, 2001, 2000 and 1999 were $7,744, $7,348 and $6,293, respectively, equal to the required contributions for each year.

## Note 7 - SUPPLEMENTAL PAY

In addition to the compensation paid to the District's employees, firemen may be eligible to receive supplemental pay. The amount of the compensation is determined by State Law and is revised periodically.

As per Louisiana Revised Statute 33:2002, any full-time, regular employee of the parish fire protection district who is hired after March 31, 1986, who has passed a certified firemen's training program equal to the National Fire Protection Association Standard 1001 and who is paid three hundred dollars per month from public funds is eligible for supplemental pay. These full-time employees are carried on the payroll paid from funds of the parish obtained through lawfully adopted bond issues or lawfully assessed taxes, either directly or through a board or commission set up by law or ordinance. Employees employed by the District are not eligible for supplemental pay if they are presently drawing a retirement or disability pension, clerical employees and mechanics and for those employees who have not passed a certified firemen's training program but are hired after March 31, 1986. State supplemental pay for firefighters must be taken into account in calculating firefighters longevity pay, holiday pay and overtime pay. The period of service for computing additional compensation includes prior service of employees who have returned or who hereafter return to such service provided that service in any parish or fire protection district fire department shall be used in computing such prior service which includes full-time employees of a volunteer fire department.

As of December 31, 2001, the District has recognized revenue and expenditures of $4,690 in salary supplements that the State of Louisiana has paid directly to the District's employees.

## Note 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for workers' compensation and group insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims filed against the District. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described on the next page:

## Note 8 - RISK MANAGEMENT (Continued)

| Policy | Coverage Limits |
|---|---|
| Workers' Compensation | Statutory |

The Parish is self-insured for the first $125,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2000 was $7,809,820. Insurance contracts cover the excess liability, up to $1,000,000 on individual claims. Each covered employee is subject to a lifetime maximum claims limit of $1,000,000. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, $17,928 at December 31, 2000, then secondly by the District or the employee for individual claims in excess of $1,000,000. Coverage for workers' compensation claims in excess of the stated limits are to be funded first by assets of the Parish's risk management internal service fund, $1,431,079 at December 31, 2000, then secondly by the District. At December 31, 2001, the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverages during the year ended December 31, 2001 totaled $24,500.

## Note 9 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2001:

| Board Members | Number of Meetings Attended | Per Diem |
|---|---|---|
| Willie Bonvillain | 18 | $ 480 |
| Michael Deroche | 10 | - * |
| Angelic Falgout | 2 | 60 |
| Donald Lirette | 5 | - * |
| Wilfred Trahan | 17 | 450 |
| Magnus Voisin | 17 | 450 |
| Total | | $1,440 |

* Waived his or her right to receive a per diem.

# SUPPLEMENTARY INFORMATION SECTION

Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,
Terrebonne Parish Fire District No. 4-A,
Houma, Louisiana.

Our report on our audit of the general-purpose financial statements of Terrebonne Parish Fire District No. 4-A (the District) for the year ended December 31, 2001, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of revenues and expenditures and graphs of revenues and expenditures for the year ended December 31, 2001 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements for the year ended December 31, 2001, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the balance sheets of Terrebonne Parish Fire District No. 4-A as of December 31, 2000 and 1999, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 2000 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 2000 and 1999 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
February 15, 2002.



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Schedule 1

# SCHEDULE OF REVENUES AND EXPENDITURES

## Terrebonne Parish Fire District No. 4-A

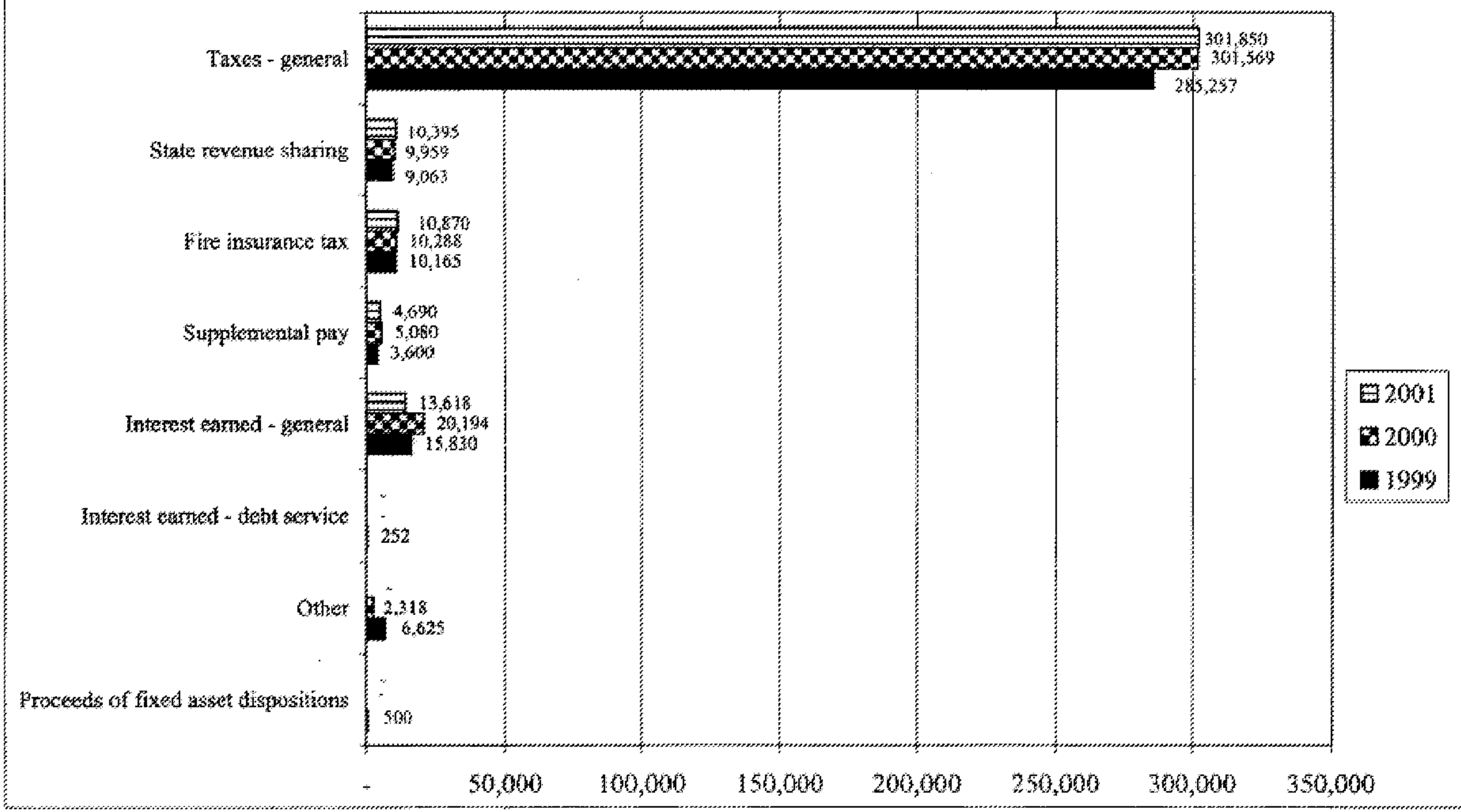
For the years ended December 31, 2001, 2000 and 1999

| | 2001 | 2000 | 1999 |
|---|---|---|---|
| **Revenues** | | | |
| Taxes - general | $ 301,850 | $ 301,569 | $ 285,257 |
| State revenue sharing | 10,395 | 9,959 | 9,063 |
| Fire insurance tax | 10,870 | 10,288 | 10,165 |
| Supplemental pay | 4,690 | 5,080 | 3,600 |
| Interest earned - general | 13,618 | 20,194 | 15,830 |
| Interest earned - debt service | - | - | 252 |
| Other | - | 2,318 | 6,625 |
| Proceeds of fixed asset dispositions | - | - | 500 |
| Total revenues | $ 341,423 | $ 349,408 | $ 331,292 |
| **Expenditures** | | | |
| General government - general | 28,746 | 11,402 | 24,150 |
| Personal services | 144,294 | 131,612 | 135,032 |
| Supplies and materials | 35,100 | 60,225 | 33,079 |
| Other services and charges | 61,259 | 40,691 | 43,056 |
| Repairs and maintenance | 20,493 | 43,792 | 34,897 |
| Capital expenditures | 19,428 | 54,464 | 75,056 |
| Total expenditures | $ 309,320 | $ 342,186 | $ 345,270 |

# REVENUES

## Terrebonne Parish Fire District No. 4-A

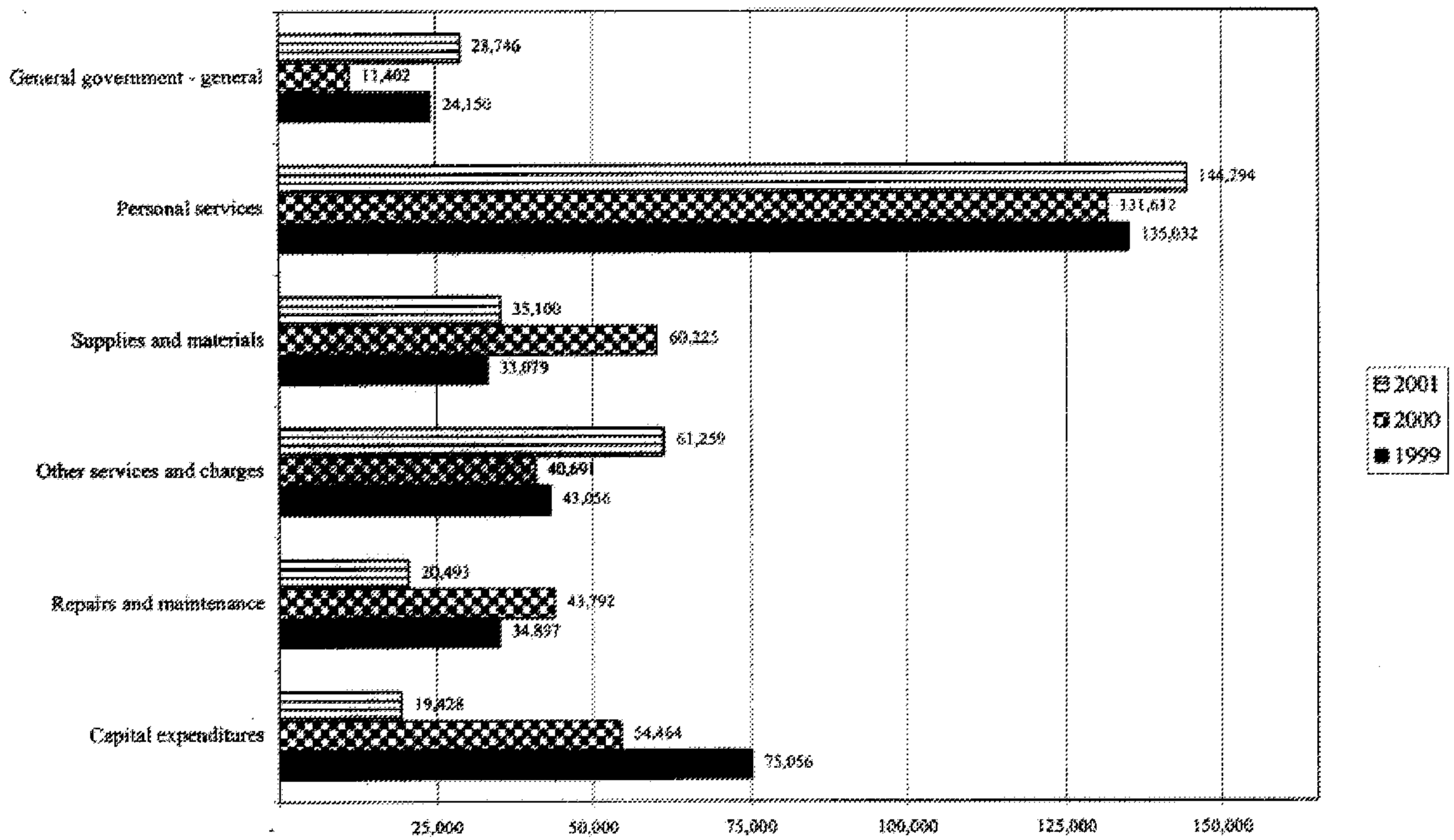
For the years ended December 31, 2001, 2000 and 1999



**EXPENDITURES**

**Terrebonne Parish Fire District No. 4-A**

For the years ended December 31, 2001, 2000 and 1999



# SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

Bourgeois Bennett

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

To the Board of Commissioners,
Terrebonne Parish Fire District No. 4-A,
Houma, Louisiana.

We have audited the general-purpose financial statements of Terrebonne Parish Fire District No. 4-A (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2001, and have issued our report thereon dated February 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 District's general-purpose 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. However, we noted a certain immaterial instance of noncompliance, which we reported to management of the District in a separate letter dated February 15, 2002.

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**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose 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 operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
February 15, 2002.

# SCHEDULE OF FINDINGS

## Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2001

### Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes __X__ no
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes __X__ none reported

Noncompliance material to financial statements noted? _____ yes __X__ no

b) Federal Awards

Terrebonne Parish Fire District No. 4-A did not receive federal awards during the year ended December 31, 2001.

### Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2001.

A management letter was issued in connection with the audit for the year ended December 31, 2001.

### Section III Federal Award Findings and Questioned Costs

Not applicable.

# REPORTS BY MANAGEMENT

# SCHEDULE OF PRIOR YEAR FINDINGS

## Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2001

### Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2000.
No reportable conditions were reported during the audit for the year ended December 31, 2000.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 2000.

### Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Fire District No. 4-A did not receive federal awards during the year ended December 31, 2000.

### Section III Management Letter

00-1 **Recommendation** - We recommend that the District refund the over-collections to taxpayers in the current year as required by law.

**Management's Corrective Action** - The District refunded the over-collection of taxes to the taxpayers.

# MANAGEMENT'S CORRECTIVE ACTION PLAN

## Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 2001

**Section I Internal Control and Compliance Material to the General-Purpose Financial Statements**

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2001.
No reportable conditions were reported during the audit for the year ended December 31, 2001.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 2001.

**Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Fire District No. 4-A did not receive federal awards during the year ended December 31, 2001.

**Section III Management Letter**

01-1 **Recommendation** - We recommend that the District immediately pay the balance on store credit accounts and implement policies to insure that purchases made through these accounts are properly authorized by the board, are supported by invoices and other original transaction documents and are paid in full each month.

**Management's Corrective Action** - The District has paid the balance on the store credit accounts and a policy will be set in place to insure that purchases in the future made through these accounts are properly authorized by the board, are supported by invoices and original transaction documents and are paid in full each month.

# MANAGEMENT LETTER

Bourgeois Bennett

To Terrebonne Parish Fire District No. 4A,
Houma, Louisiana.

We have audited the general-purpose financial statements of Terrebonne Parish Fire District No. 4A (the District), as of and for the year ended December 31, 2001, and have issued our report thereon dated February 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. In planning and performing our audit, we considered the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants in order to determine our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide an opinion on internal control or compliance.

However, during our audit we became aware of a matter that needs to be brought to the District's attention. During the audit for the year ended December 31, 2001, it was noted that the District maintains two revolving credit plan accounts at local retailers. These accounts were noted to have balances that are not paid in total each month and finance charges are being assessed on these balances. Furthermore, the District could not support the balance at the beginning of the year with invoices and other original transaction documents. We recommend that the District immediately pay the balance on store credit accounts and implement policies to insure that purchases made through these accounts are properly authorized by the Board, are supported by invoices and other original transaction documents and are paid in full each month. This letter does not affect our report dated February 15, 2002 on the general-purpose financial statements of the District.

We will review the status of this matter during our next audit engagement. We have already discussed the matter with the District. We will be pleased to discuss it in further detail at your convenience. Please call Bourgeois Bennett if you need assistance with this or any other matter.

Sincerely,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
February 15, 2002.

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