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Financial Report
Terrebonne Parish Fire District No. 6
Montegut, Louisiana
December 31, 1995

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

Release Date 8-21-96

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Fire District No. 6,
Montegut, Louisiana.

We have audited the accompanying general purpose financial statements of Terrebonne Parish Fire District No. 6, (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1995, 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 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 the Terrebonne Parish Fire District No. 6 as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 22, 1996 on our consideration of the Terrebonne Parish Fire District No. 6's internal control structure and a report dated April 22, 1996 on its compliance with laws and regulations.

Respectfully submitted,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 22, 1996.

COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS

Terrebonne Parish Fire District No. 6

December 31, 1995

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Debt Service</u>
<u>ASSETS</u>		
Cash	\$ 29,712	\$ -
Investments	438,472	52,853
Receivables - taxes	232,588	59,181
Due from other governmental units	4,248	-
Fixed Assets	-	-
Amount available in Debt Service Fund	-	-
Amount to be provided for retirement of general long-term obligations	-	-
Totals	<u>\$ 705,020</u>	<u>\$ 112,034</u>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 7,264	\$ -
Deferred revenue	239,945	59,432
Due to Terrebonne Parish Consolidated Government	3,990	-
Bond payable	-	-
Total liabilities	<u>251,199</u>	<u>59,432</u>
<u>FUND EQUITY</u>		
Investment in general fixed assets		
Fund balances:		
Reserved:		
Debt service	-	52,602
Unreserved	453,821	-
Total fund balances	<u>453,821</u>	<u>52,602</u>
Total fund equity	<u>453,821</u>	<u>52,602</u>
Totals	<u>\$ 705,020</u>	<u>\$ 112,034</u>

See notes to financial statements.

Account Groups		
General Fixed Assets	General Long-Term Obligations	Total (Memorandum Only)
\$ -	\$ -	\$ 29,712
-	-	491,325
-	-	291,769
-	-	4,248
33,955	-	33,955
-	52,602	52,602
-	132,398	132,398
<u>\$ 33,955</u>	<u>\$ 185,000</u>	<u>\$ 1,036,009</u>
	\$ -	\$ 7,264
	-	299,377
	-	3,990
	185,000	185,000
	185,000	495,631
<u>33,955</u>		<u>33,955</u>
		52,602
		<u>453,821</u>
		<u>506,423</u>
<u>33,955</u>		<u>540,378</u>
<u>\$ 33,955</u>	<u>\$ 185,000</u>	<u>\$ 1,036,009</u>

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES**

Terrebonne Parish Fire District No. 6

For the year ended December 31, 1995

	General	Debt Service	Total (Memorandum Only)
Revenues			
Taxes - ad valorem	\$ 280,446	\$ 54,436	\$ 334,882
Intergovernmental -			
State of Louisiana:			
State revenue sharing	7,299	-	7,299
Fire insurance tax	8,103	-	8,103
Miscellaneous:			
Interest	27,009	2,604	29,613
Other	9,121	-	9,121
Total revenues	<u>331,978</u>	<u>57,040</u>	<u>389,018</u>
Expenditures			
General Government:			
Ad valorem tax deductions	13,547	2,629	16,176
Ad valorem tax adjustments	595	115	710
Total general government	<u>14,142</u>	<u>2,744</u>	<u>16,886</u>
Public Safety:			
Personal services	109,262		109,262
Supplies and materials	13,882		13,882
Other services and charges	59,868		59,868
Repairs and maintenance	29,740		29,740
Capital expenditures	39,570		39,570
Total public safety	<u>252,322</u>		<u>252,322</u>
Debt Service:			
Principal retirement		35,000	35,000
Interest and fiscal charges		14,664	14,664
Total debt service		<u>49,664</u>	<u>49,664</u>
Total expenditures	<u>266,464</u>	<u>52,408</u>	<u>318,872</u>
Excess of revenues over expenditures	65,514	4,632	70,146
Fund Balances			
Beginning of year	<u>388,307</u>	<u>47,970</u>	<u>436,277</u>
End of year	<u>\$ 453,821</u>	<u>\$ 52,602</u>	<u>\$ 506,423</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

Terrebonne Parish Fire District No. 6

For the year ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes - ad valorem	\$ 280,439	\$ 280,446	\$ 7
Intergovernmental -			
State of Louisiana:			
State of revenue sharing	7,299	7,299	-
Fire insurance tax	8,103	8,103	-
Miscellaneous:			
Interest	20,000	27,009	7,009
Other	9,300	9,121	(179)
Total revenues	<u>325,141</u>	<u>331,978</u>	<u>6,837</u>
Expenditures			
General Government:			
Ad valorem tax deductions	13,600	13,547	53
Ad valorem tax adjustments	1,000	595	405
Total general government	<u>14,600</u>	<u>14,142</u>	<u>458</u>
Public Safety:			
Personal services	113,550	109,262	4,288
Supplies and materials	15,400	13,882	1,518
Other services and charges	63,653	59,868	3,785
Repairs and maintenance	36,000	29,740	6,260
Capital expenditures	45,000	39,570	5,430
Total public safety	<u>273,603</u>	<u>252,322</u>	<u>21,281</u>
Total expenditures	<u>288,203</u>	<u>266,464</u>	<u>21,739</u>
Excess of revenues over expenditures	36,938	65,514	28,576
Fund Balance			
Beginning of year	388,307	388,307	-
End of year	<u>\$ 425,245</u>	<u>\$ 453,821</u>	<u>\$ 28,576</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Fire District No. 6**

December 31, 1995

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Terrebonne Parish Fire District No. 6 (the District) conform to generally accepted accounting principles as applicable to governments. The following is a summary of certain significant accounting policies.

a) Reporting Entity

The District is a component unit of the 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, 1995.

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 government 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 Funds

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 are the Governmental Funds of the District:

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 resources except those that are required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest and related costs.

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.

Ad valorem taxes for the 1995 tax roll become due on November 15, 1995 and become delinquent on December 31st. These taxes are levied to finance the budget for the 1996 year and will be recorded in 1996 as 1996 revenue.

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 revenue in the period for which levied, thus the 1995 property taxes which are being levied to finance the 1996 budget are recorded as revenue for the 1996 fiscal year. The 1995 tax levy is recorded as deferred revenue in the District's 1995 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) 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 during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Operating Budgetary Data (Continued)

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles

e) Bad Debts

The financial statements for the District contain no allowance for bad debts. 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.

f) Investments

Investments are stated at cost, which approximates market.

g) General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset 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. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings including roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

h) Vacation and Sick Leave

The District follows the vacation and sick leave policies of Terrebonne Parish Consolidated Government. There is no material accumulated vacation at December 31, 1995.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Encumbrances

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

j) Total Columns on Combined Statements - Overview

The total columns on the combined statements - overview are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CASH AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the 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.

During the year the District's investments consisted of certificates of deposit, investments in the Louisiana Asset Management Pool (LAMP), Federal Home Loan Bank Notes, a Federal Farm Credit Bank Note, and a Federal National Mortgage Association Certificate. At December 31, 1995, the District's cash and investments in excess of the FDIC insurance were adequately collateralized.

The Louisiana Asset Management Pool (LAMP) invests in United States Government Obligations, agencies and instrumentalities and collateralized repurchase agreements. Even though LAMP is complying with Louisiana law concerning permissible investments, these investments are not fully guaranteed as to principal and interest.

The Federal Home Loan Bank Notes, the Federal Farm Credit Bank Note, and the Federal National Mortgage Association Certificate are not guaranteed as to principal and interest by the full faith and credit of the United States.

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, 1992. 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, 1995 was \$10.51 per \$1,000 of assessed valuation on property within Fire District No. 6 for the purpose of maintaining and operating fire protection facilities within the District and \$2.04 per \$1,000 of assessed valuation for the payment of principal and interest. As indicated in Note 1c, taxes levied November 1, 1995 are for budgeted expenditures in 1996 and will be recognized as revenues in 1996.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1995 consisted of the following:

	<u>General Fund</u>
State of Louisiana - State revenue sharing	<u>\$4,248</u>

Note 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January <u>1, 1995</u>	<u>Additions</u>	<u>Adjustments</u>	Balance December <u>31, 1995</u>
Land and buildings	\$ -	\$ 7,165	\$ -	\$ 7,165
Machinery and equipment	10,992	31,728	(16,930)	25,790
Office furniture, fixtures and equipment	<u>1,900</u>	<u>-</u>	<u>(900)</u>	<u>1,000</u>
Totals	<u>\$12,892</u>	<u>\$38,893</u>	<u>\$ 17,830</u>	<u>\$33,955</u>

Note 5 - CHANGES IN GENERAL FIXED ASSETS (Continued)

Assets acquired prior to 1994 totaling \$1,025,837 are included in the general-fixed asset listing of the Parish. The assets are made up of the following:

	Balance January <u>1, 1995</u>	<u>Adjustments</u>	Balance December <u>31, 1995</u>
Land and building	\$ 544,889	\$ -	\$ 544,889
Automobiles	432,603	-	432,603
Machinery and equipment	40,321	(625)	39,696
Office furniture and equipment	<u>10,310</u>	<u>(2,111)</u>	<u>8,199</u>
Total	<u>\$1,028,123</u>	<u>\$(2,736)</u>	<u>\$1,025,387</u>

The adjustments made in 1995 were due to a change in the fixed asset policy. In the new policy only assets over \$500 will be added to the listing therefore any assets under this amount needed was removed from the listing.

Note 6 - LONG-TERM OBLIGATIONS

At December 31, 1995, the District had outstanding public general obligation bonds totaling \$185,000 bearing interest from 6.7% to 12% which are repayable through March 1, 2009 primarily from ad valorem tax revenues.

The following is a summary of bond transactions of the District for the year ended December 31, 1995:

Bonds payable at January 1, 1995	\$220,000
Bonds retired	<u>35,000</u>
Bonds payable at December 31, 1995	<u>\$185,000</u>

The annual requirements to amortize all long-term obligations outstanding at December 31, 1995 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996	\$ 40,000	\$11,718	\$ 51,718
1997	45,000	8,763	53,763
1998	45,000	5,613	50,613
1999	5,000	3,858	8,858
2000	5,000	3,496	8,496
Thereafter	<u>45,000</u>	<u>14,960</u>	<u>59,960</u>
Totals	<u>\$185,000</u>	<u>\$48,408</u>	<u>\$233,408</u>

Note 7 - DEFINED BENEFIT PENSION PLAN

One full-time employee of the District is a participant in the State Parochial Employees' Retirement System of Louisiana. The employer's pension contribution was 1% for 1995. Two full-time employees are participants in the Firefighters' Retirement System of Louisiana. The employer's pension contribution was 9% for 1995. Full disclosure of the pension plan will be made in the oversight entity's report.

Note 8 - POSTRETIREMENT HOSPITALIZATION AND LIFE INSURANCE BENEFITS

The District provides for the payment of hospitalization and life insurance premiums for two retired employees. The District also provides for dependent coverage for one retired employee. The cost of providing this benefit is recognized as an expenditure as premiums are paid. For the year ended December 31, 1995, those costs amounted to \$3,818.

Future liabilities under the District's plan for potentially eligible employees are dependent upon the age and length of service of those employees. The average employee age and service years are not available. At December 31, 1995, the average hospitalization and life insurance costs per retired employee was approximately \$318 per month.

Note 9 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 1995.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL
STRUCTURE 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. 6,
Montegut, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Fire District No. 6 (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated April 22, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in condition or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the District for the year ended December 31, 1995, we obtained an understanding on the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure 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. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 22, 1996.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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. 6,
Montegut, Louisiana.

We have audited the general purpose financial statements of Terrebonne Parish Fire District No. 6 (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated April 22, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

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. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 22, 1996.

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MANAGEMENT LETTER



Bourgeois Bennett

April 22, 1996

To the Board of Commissioners,
Terrebonne Parish Fire District No. 6,
Montegut, Louisiana.

In connection with our audit of the general purpose financial statements of the Terrebonne Parish Fire District No. 6, (the District), as of and for the year ended December 31, 1995, the following item was noted which we would like to bring to your attention.

INVESTMENT POLICY

The District does not have an investment policy as required by Louisiana Revised Statute 33:2955. As a result of House Bill No. 872 Act 1126 of the 1995 Legislative Session, all political subdivisions, shall develop and adopt an investment policy that details and clarifies investment objectives and the procedures and constraints necessary to reach those objectives.

We recommend the District develop and adopt an investment policy. The policy should:

- Reflect the mandate to manage public funds prudently.
- Place appropriate emphasis on the goals of safety of principal first, liquidity second, and yield third.
- Establish internal controls for any derivatives in use to ensure that the risks inherent in derivatives are adequately managed.

We would like to thank Ms. Wanda LeCompte for the help extended to us during our audit. We shall be glad to answer any questions you may have.

Sincerely yours,

Edward R. Bouteine

For the firm.

COMMUNICATIONS LETTER



Bourgeois Bennett

COMMUNICATIONS WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,
Terrebonne Parish Fire District No. 6,
Montegut, Louisiana.

In fulfilling our responsibility as Terrebonne Parish Fire District No. 6 auditors for the year ended December 31, 1995, we are required to communicate to the Board of Commissioners certain matters related to the conduct of our audit.

1) **AUDITOR'S RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS**

Our audit was conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" issued by the Comptroller General of the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatements.

As required, separate letters have been issued on internal control and compliance with laws and regulations.

2) **SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted nor required to be adopted for the year ended December 31, 1995.

This information is intended solely for the use of the Board of Commissioners and the management of Terrebonne Parish Fire District No. 6 and should not be used for any other purposes.

Respectfully submitted,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 22, 1996.