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

***Houma, 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 9-4-96

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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 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. 4-A 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 May 17, 1996 on our consideration of the Terrebonne Parish Fire District No. 4-A's internal control structure and a report dated May 17, 1996 on its compliance with laws and regulations.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La,  
May 17, 1996.

**COMBINED BALANCE SHEET -  
GOVERNMENTAL FUND TYPES AND ACCOUNT GROUPS**

Terrebonne Parish Fire District No. 4-A

December 31, 1995

|  | Governmental Fund Types |                 |
|--|-------------------------|-----------------|
|  | General                 | Debt<br>Service |
| <b><u>ASSETS</u></b>   |                         |                 |
| Cash   | \$ 19,387               | \$ -            |
| Investments  | 124,576                 | 77,981          |
| Receivables - taxes  | 243,156                 | 62,680          |
| State revenue sharing receivable   | 5,378                   | -               |
| Deposits   | 105                     | -               |
| Fixed Assets   | -                       | -               |
| Amount available in Debt Service Fund                                    | -                       | -               |
| Amount to be provided for retirement of general<br>long-term obligations | -                       | -               |
|  | -                       | -               |
| Totals   | \$ 392,602              | \$ 140,661      |
| <b><u>LIABILITIES</u></b>  |                         |                 |
| Accounts payable and accrued expenses                                    | \$ 5,029                | \$ -            |
| Deferred Revenue   | 257,663                 | 64,340          |
| Due to Terrebonne Parish Consolidated Government                         | 5,188                   | -               |
| Bonds payable  | -                       | -               |
|  | -                       | -               |
| Total liabilities  | 267,880                 | 64,340          |
| <b><u>FUND EQUITY</u></b>  |                         |                 |
| Investments in general fixed assets                                      |                         |                 |
| Fund balances:   |                         |                 |
| Reserved:  |                         |                 |
| Debt service   | -                       | 76,321          |
| Unreserved   | 124,722                 | -               |
|  | 124,722                 | 76,321          |
| Total fund balances  | 124,722                 | 76,321          |
| Total fund equity  | 124,722                 | 76,321          |
| Totals   | \$ 392,602              | \$ 140,661      |

See notes to financial statements.

| Account Groups             |                                     |                               |
|----------------------------|-------------------------------------|-------------------------------|
| General<br>Fixed<br>Assets | General<br>Long-Term<br>Obligations | Total<br>(Memorandum<br>Only) |
| \$ -                       | \$ -                                | \$ 19,387                     |
| -                          | -                                   | 202,557                       |
| -                          | -                                   | 305,836                       |
| -                          | -                                   | 5,378                         |
| -                          | -                                   | 105                           |
| 30,873                     | -                                   | 30,873                        |
| -                          | 76,321                              | 76,321                        |
| -                          | 108,679                             | 108,679                       |
| <u>\$ 30,873</u>           | <u>\$ 185,000</u>                   | <u>\$ 749,136</u>             |
|                            | \$ -                                | \$ 5,029                      |
|                            | -                                   | 322,003                       |
|                            | -                                   | 5,188                         |
|                            | 185,000                             | 185,000                       |
|                            | 185,000                             | 517,220                       |
| \$ 30,873                  |                                     | 30,873                        |
|                            |                                     | 76,321                        |
|                            |                                     | 124,722                       |
|                            |                                     | 201,043                       |
| 30,873                     |                                     | 231,916                       |
| <u>\$ 30,873</u>           | <u>\$ 185,000</u>                   | <u>\$ 749,136</u>             |

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

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

For the year ended December 31, 1995

|  | <u>General</u>    | <u>Debt<br/>Service</u> | <u>Total<br/>(Memorandum<br/>Only)</u> |
|--|-------------------|-------------------------|--|
| <b>Revenues</b>                          |                   |                         |  |
| Taxes - ad valorem                       | \$ 273,970        | \$ 78,502               | \$ 352,472                             |
| Intergovernmental:                       |                   |                         |  |
| Fire insurance tax                       | 9,159             | -                       | 9,159                                  |
| Miscellaneous:                           |                   |                         |  |
| Interest                                 | 10,986            | 4,148                   | 15,134                                 |
| Other                                    | 3,474             | -                       | 3,474                                  |
| Total revenues                           | <u>297,589</u>    | <u>82,650</u>           | <u>380,239</u>                         |
| <b>Expenditures</b>                      |                   |                         |  |
| General Government:                      |                   |                         |  |
| Ad valorem tax adjustment                | 16,483            | 4,853                   | 21,336                                 |
| Ad valorem tax deductions                | 12,858            | 3,797                   | 16,655                                 |
| Total general government                 | <u>29,341</u>     | <u>8,650</u>            | <u>37,991</u>                          |
| Public Safety:                           |                   |                         |  |
| Personal services                        | 108,837           | -                       | 108,837                                |
| Supplies and materials                   | 34,033            | -                       | 34,033                                 |
| Other services and charges               | 46,945            | 560                     | 47,505                                 |
| Repairs and maintenance                  | 28,318            | -                       | 28,318                                 |
| Capital expenditures                     | 13,857            | -                       | 13,857                                 |
| Total public safety                      | <u>231,990</u>    | <u>560</u>              | <u>232,550</u>                         |
| Debt service:                            |                   |                         |  |
| Principal retirement                     |                   | 50,000                  | 50,000                                 |
| Interest and fiscal charges              |                   | 20,475                  | 20,475                                 |
| Total debt service                       |                   | <u>70,475</u>           | <u>70,475</u>                          |
| Total expenditures                       | <u>261,331</u>    | <u>79,685</u>           | <u>341,016</u>                         |
| <b>Excess Revenues Over Expenditures</b> | 36,258            | 2,965                   | 39,223                                 |
| <b>Fund Balances</b>                     |                   |                         |  |
| Beginning of year                        | 88,464            | 73,356                  | 161,820                                |
| End of year                              | <u>\$ 124,722</u> | <u>\$ 76,321</u>        | <u>\$ 201,043</u>                      |

See notes to financial statements.

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

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

For the year ended December 31, 1995

|  | <u>Budget</u>    | <u>Actual</u>     | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|-------------------|--|
| <b>Revenues</b>                          |                  |                   |  |
| Taxes - ad valorem                       | \$ 272,100       | \$ 273,970        | \$ 1,870                               |
| Intergovernmental                        |                  |                   |  |
| State of Louisiana:                      |                  |                   |  |
| Fire insurance tax                       | 7,400            | 9,159             | 1,759                                  |
| Miscellaneous:                           |                  |                   |  |
| Interest                                 | 3,500            | 10,986            | 7,486                                  |
| Other                                    | -                | 3,474             | 3,474                                  |
| Total revenues                           | <u>283,000</u>   | <u>297,589</u>    | <u>14,589</u>                          |
| <b>Expenditures</b>                      |                  |                   |  |
| General Government:                      |                  |                   |  |
| Ad valorem tax adjustment                | 13,400           | 16,483            | (3,083)                                |
| Ad valorem tax deductions                | <u>10,600</u>    | <u>12,858</u>     | <u>(2,258)</u>                         |
| Total general government                 | <u>24,000</u>    | <u>29,341</u>     | <u>(5,341)</u>                         |
| Public Safety:                           |                  |                   |  |
| Personal services                        | 102,572          | 108,837           | (6,265)                                |
| Supplies and materials                   | 27,400           | 34,033            | (6,633)                                |
| Other services and charges               | 52,350           | 46,945            | 5,405                                  |
| Repairs and maintenance                  | 23,000           | 28,318            | (5,318)                                |
| Capital expenditures                     | <u>19,250</u>    | <u>13,857</u>     | <u>5,393</u>                           |
| Total public safety                      | <u>224,572</u>   | <u>231,990</u>    | <u>(7,418)</u>                         |
| Total expenditures                       | <u>248,572</u>   | <u>261,331</u>    | <u>(12,759)</u>                        |
| <b>Excess Revenues Over Expenditures</b> | <u>\$ 34,428</u> | 36,258            | <u>\$ 1,830</u>                        |
| <b>Fund Balance</b>                      |                  |                   |  |
| Beginning of year                        |                  | <u>88,464</u>     |  |
| End of year                              |                  | <u>\$ 124,722</u> |  |

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****Terrebonne Parish Fire District No. 4-A**

December 31, 1995

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Terrebonne Parish Fire District No. 4-A (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 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 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 all financial 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 revenue) are recorded as revenues 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

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

**d) Operating Budgetary Data (Continued)**

transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District did not amend its budget during the year. 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 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.

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

**h) Vacation and Sick Leave**

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

Employees earn 3.693 hours of vacation time on the completion of a pay period. In one year, an employee receives two weeks of vacation time. Vacation time cannot be carried over to the following year and does not accrue. Upon termination or resignation, employees are paid for all accumulated vacation. Vacation time cannot be taken until the employee has been employed with the District for at least three months.

Employees earn 2.145 hours of sick leave on the completion of a pay period. Sick leave may accrue and can be carried over till the following year. Upon termination or resignation, no sick leave is paid. Sick leave cannot be taken until the employee has been employed with the District for at least three months.

There is no material accumulated vacation leave at December 31, 1995.

**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.

Note 2 - CASH AND INVESTMENTS (Continued)

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, Federal Farm Credit Bank Notes, a Federal National Mortgage Association Certificates, and investments in Louisiana Asset Management Pool (LAMP). At December 31, 1995, the District's cash and investments in excess of the FDIC insurance were adequately collateralized.

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

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, which approximates market, are not fully guaranteed as to principal and interest.

Detail of investments at December 31, 1995 are as follows:

|   | <u>Carrying<br/>Amount</u> | <u>Market<br/>Value</u> |
|---|----------------------------|-------------------------|
| Certificates of Deposit                               | \$188,733                  | \$188,733               |
| Louisiana Asset Management Pool                       | 3,035                      | 3,035                   |
| Federal National Mortgage Association<br>Certificates | <u>10,789</u>              | <u>10,839</u>           |
| Totals  | <u>\$202,557</u>           | <u>\$202,607</u>        |

**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 \$9.00 per \$1,000 of assessed valuation on property within Fire District No. 4-A for the purpose of maintaining and operating fire protection facilities within the District and \$2.65 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 - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

|   | Balance<br>January<br><u>1, 1995</u> | <u>Additions</u> | <u>Deletions</u> | Balance<br>December<br><u>31, 1995</u> |
|---|--------------------------------------|------------------|------------------|--|
| Automobiles                                 | \$ 7,662                             | \$ 6,032         | \$ -             | \$13,694                               |
| Machinery and equipment                     | 10,319                               | 7,825            | 965              | 17,179                                 |
| Office furniture, fixtures<br>and equipment | <u>846</u>                           | <u>-</u>         | <u>846</u>       | <u>-</u>                               |
| Totals                                      | <u>\$18,827</u>                      | <u>\$13,857</u>  | <u>\$1,811</u>   | <u>\$30,873</u>                        |

Assets acquired prior to 1994 totaling \$800,659 are included in the general-fixed asset account group of the Parish. The assets are made up of the following:

|                                |                  |
|--------------------------------|------------------|
| Land and building              | \$293,790        |
| Automobiles                    | 433,494          |
| Machinery and equipment        | 59,660           |
| Office furniture and equipment | <u>13,715</u>    |
| Total                          | <u>\$800,659</u> |

**Note 5 - LONG-TERM OBLIGATIONS**

At December 31, 1995, the District had outstanding general obligation bonds totaling \$185,000 bearing interest from 8% to 10% which are repayable through March 1, 1998 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       | \$235,000            |
| Bonds retired                          | <u>50,000</u>        |
| <br>Bonds payable at December 31, 1995 | <br><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        | \$ 55,000            | \$ 15,613           | \$ 70,613            |
| 1997        | 60,000               | 10,000              | 70,000               |
| 1998        | <u>70,000</u>        | <u>3,500</u>        | <u>73,500</u>        |
| <br>Totals  | <br><u>\$185,000</u> | <br><u>\$29,113</u> | <br><u>\$214,113</u> |

**Note 6 - DEFINED BENEFIT PENSION PLAN**

Three 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 7 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to Board Members for the year ended December 31, 1995:

| <u>Board Members</u> | <u>Number of Meetings Attended</u> | <u>Per Diem</u> |
|----------------------|------------------------------------|-----------------|
| Willie Bonvillain    | 5                                  | \$150           |
| Rudy Cancienne       | 6                                  | 180             |
| Monna Champagne      | 6                                  | 180             |
| Ann Dupre            | 5                                  | 150             |
| Wilfred Trahan       | 5                                  | <u>150</u>      |
| Total                |                                    | <u>\$810</u>    |

**Note 8 - LEASE COMMITMENTS**

The District has two operating leases. These operation leases are for property and buildings. One lease is on a monthly basis and the other is on a yearly basis.

Rental expense for the above leases for the year ended December 31, 1995 totaled approximately \$201.

The minimum annual commitments under operating leases are as follow:

|              |                |
|--------------|----------------|
| Fiscal year: |                |
| 1996         | \$ 301         |
| 1997         | 301            |
| 1998         | 301            |
| 1999         | 301            |
| 2000         | 301            |
| Thereafter   | <u>1,405</u>   |
| Total        | <u>\$2,910</u> |

**Note 9 - CONTINGENT LIABILITIES**

There are various lawsuits filed against the District, these cases involve claims for property damages and claims for back wages and benefits. The cases are in the preliminary discovery stage. The District's legal counsel and management believe exposure, if any, in these matters are immaterial in relation to the general purpose financial statements and have not provided provision for damages in the general purpose financial statements.

**Note 10 - SUBSEQUENT EVENT**

On April 24, 1996, the Terrebonne Parish Council on behalf of the Terrebonne Parish Consolidated Government adopted Parish Ordinance No. 5595 which provided for the abolishment of the existing Board of Commissioners for Fire Protection District No. 4A and provided for the substitution of the Terrebonne Parish Council as the governing authority for the said District. For the year ending December 31, 1996, the Terrebonne Parish Council anticipates the District will continue to be reported as a discrete component unit of the Terrebonne Parish Consolidated Government.



**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. 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 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 May 17, 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.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
May 17, 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. 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 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 May 17, 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
May 17, 1996.

**COMMUNICATIONS LETTER**



Bourgeois Bennett

## COMMUNICATIONS WITH BOARD OF COMMISSIONERS

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

In fulfilling our responsibility as Terrebonne Parish Fire District No. 4-A 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.

3) **SIGNIFICANT AUDIT ADJUSTMENT**

We did not initiate any significant audit adjustment during our recent audit. Year end adjustments and closing entries were prepared.

This information is intended solely for the use of the Board of Commissioners and management of Terrebonne Parish Fire District 4-A and should not be used for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, La.,  
May 17, 1996.