

RECEIVED
FEBRUARY 11 1999
FBI - NEW ORLEANS

OFFICIAL
FILE COPY
DO NOT SIGN OUT
Please remove
stamps from this
copy and place
back in file

Financial Report

Terrebonne Parish Fire District No. 4-A

Houma, Louisiana

December 31, 1998

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 Jan 0 2 1999

TABLE OF CONTENTS

Terrebonne Parish Fire District No. 4-A

December 31, 1998

	Exhibits	Page Number
Introductory Section		
Title Page		i
Table of Contents		ii
Financial Section		
Independent Auditor's Report		1
Combined Balance Sheet - Governmental Fund Types and Account Groups	A	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund Types	B	3
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund	C	4
Notes to Financial Statements	D	5 - 15
Special Reports Of Certified Public Accountants		
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		16 - 17
Schedule of Findings		18
Reports By Management		
Schedule of Prior Year Findings		19
Management's Corrective Action Plan		20



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, 1998, 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 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, 1998, 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 our report dated April 15, 1999 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.
April 15, 1999.

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

Terrebonne Parish Fire District No. 4-A

December 31, 1998

	<u>Governmental Fund Types</u>		<u>Account Group</u>	<u>Total</u> <u>(Miscellaneous</u> <u>Obj.)</u>
	<u>General</u>	<u>Debt</u> <u>Service</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	
Assets				
Cash	\$ 5,400	\$ -	\$ -	\$ 5,400
Investments	210,380	3,053	-	213,433
Receivables - taxes	278,095	-	-	278,095
State revenue sharing receivable	6,041	-	-	6,041
Deposits	105	-	-	105
Fixed assets	-	-	32,855	32,855
Total assets	\$ 500,321	\$ 3,053	\$ 32,855	\$ 535,833
Liabilities				
Accounts payable and accrued expenditures	\$ 11,888	-	-	\$ 11,888
Deferred revenue	289,329	-	-	289,329
Total liabilities	301,217			301,217
Equity and Other Credits				
Investment in general fund assets	-	-	\$ 32,855	32,855
Fund balances:				
Reserved - debt service	-	3,053	-	3,053
Unreserved	199,304	-	-	199,304
Total equity and other credits	199,304	3,053	32,855	235,216
Total liabilities, equity and other credits	\$ 500,521	\$ 3,053	\$ 32,855	\$ 535,833

See notes to financial statements.

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

Turchiano Parish Fire District No. 4-A

For the year ended December 31, 1988

	<u>General</u>	<u>Debt Service</u>	<u>Total (Macroeconomic Only)</u>
Revenues			
Taxes	\$ 266,217	\$ 21,645	\$ 287,862
Intergovernmental			
State of Louisiana:			
State revenue sharing	8,762	-	8,762
Fire insurance tax	9,592	-	9,592
Supplemental pay	6,368	-	6,368
Miscellaneous			
Interest	15,028	174	15,194
Other	5,227	-	5,227
Total revenues	<u>311,138</u>	<u>21,819</u>	<u>332,957</u>
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	1,717	221	2,938
Ad valorem tax deductions	12,635	1,189	14,724
Total general government	<u>16,152</u>	<u>1,410</u>	<u>17,662</u>
Public Safety:			
Personal services	134,918		134,918
Supplies and materials	28,108		28,108
Other services and charges	32,525		32,525
Repairs and maintenance	21,414		21,414
Capital expenditures	19,304		19,304
Total public safety	<u>258,279</u>		<u>258,279</u>
Debt Service:			
Principal retirement		70,000	70,000
Interest and fiscal charges		3,877	3,877
Total debt service		<u>73,877</u>	<u>73,877</u>
Total expenditures	<u>374,632</u>	<u>75,287</u>	<u>449,919</u>
Excess (Deficiency) of Revenues Over Expenditures	36,506	(53,468)	(16,962)
Fund Balances			
Beginning of year	158,598	56,445	215,043
End of year	<u>\$ 195,104</u>	<u>\$ 3,657</u>	<u>\$ 198,761</u>

See notes to financial statements.

**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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 249,900	\$ 266,257	\$ 16,357
Intergovernmental:			
State of Louisiana:			
State revenue sharing	8,700	8,762	62
Fire insurance tax	9,000	9,502	502
Supplemental pay	-	6,300	6,300
Miscellaneous:			
Interest	8,000	12,020	4,020
Other	-	5,227	5,227
Total revenues	<u>275,600</u>	<u>311,138</u>	<u>35,538</u>
Expenditures			
Current:			
General Government:			
All valuations tax adjustment	4,000	2,717	1,283
All valuations tax deductions	11,900	12,636	(7,736)
Total general government	<u>15,900</u>	<u>16,353</u>	<u>(453)</u>
Public Safety:			
Personnel services	116,941	134,918	(17,977)
Supplies and materials	22,900	20,108	(2,792)
Other services and charges	61,150	52,535	8,615
Repairs and maintenance	28,500	23,414	5,086
Capital expenditures	142,804	19,264	123,540
Total public safety	<u>373,295</u>	<u>250,239</u>	<u>123,056</u>
Total expenditures	<u>389,195</u>	<u>274,632</u>	<u>114,563</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,595)</u>	<u>36,506</u>	<u>150,101</u>
Fund Balance			
Beginning of year	158,508	158,508	-
End of year	<u>\$ 45,003</u>	<u>\$ 195,104</u>	<u>\$ 150,101</u>

See notes to financial statements.

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

December 31, 1998

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Terrebonne Parish Fire District No. 4-A (the District) conform to generally accepted accounting principles (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 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, 1998.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

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:

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 debt principal, interest and related costs.

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 revenue) are recorded as revenues in the period for which levied, that is the 1998 property taxes which are being levied to finance the 1999 budget will be recognized as revenue in 1999. The 1998 tax levy is recorded as deferred revenue in the District's 1998 financial statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

d) Use of Estimates

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

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 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.

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 (LAMF). LAMF 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 market value to report net assets to compute share prices if certain conditions are met.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments (Continued)

Investments during the year consisted of Federal National Mortgage Association (FNMA) Notes, Certificates of Deposit and LAMP.

h) Fixed Assets

Fixed assets used in governmental fund type operations (fixed assets) 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. 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) Long-Term Debt

Long-term debt is recognized as a liability of a Government Fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from unexpended available financial resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group.

j) 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. Full-time employees 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Vacation and Sick Leave (Continued)

Each full-time employee shall be entitled to sick leave as provided by state law, which is presently fifty-two weeks. Sick leave cannot be taken until the employee has been employed with the District for at least three months. Upon termination or resignation, no sick leave is paid.

There is no material accumulated vacation at December 31, 1998.

k) Encumbrances

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

l) Memorandum Only - Total Columns

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

Note 2 - DEPOSITS AND INVESTMENTS

District monies are held in a cash and investment pool maintained by the Parish and are available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "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 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits:

State law requires deposits (cash and certificates of deposit) 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.

The year-end bank balances of deposits and the carrying amounts as shown on the combined balance sheet are as follows:

	Bank Balances			Bank Balance
	Category			
	1	2	3	
Cash	\$12,653	\$ -	\$ -	\$ 12,653
Investments:				
Certificates of deposit	-	-	49,616	49,616
Totals	\$12,653	\$ -	\$49,616	\$62,269

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

As previously mentioned, funds are held and invested by the Parish. The Parish has proper pledging to cover funds for the District. At December 31, 1998, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the Parish. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

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.

At year end the carrying amount of investments are as follows:

	<u>Carrying Amount</u>
Investments not subject to categorization:	
Louisiana Asset Management Pool (LAMP)	<u>\$163,821</u>

Investment in the Louisiana Asset Management Pool is not categorized as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

A reconciliation of deposits and investments as shown on the Combined Balance Sheet for the District is as follows:

Carrying amount of deposits	\$ 33,119
Carrying amount of investments	_163,821
Total	<u>\$218,938</u>
Cash	\$ 5,099
Investments	_213,837
Total	<u>\$218,938</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, 1996. 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, 1998 was \$9.65 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. As indicated in Note 3c, taxes levied November 1, 1998 are for budgeted expenditures in 1999 and will be recognized as revenues in 1999.

Note 4 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January <u>1, 1998</u>	Additions	Balance December <u>31, 1998</u>
Building	\$ 3,623	\$1,985	\$ 5,608
Automobiles	13,694	-	13,694
Machinery and equipment	15,614	17,318	32,932
Totals	\$32,931	\$19,303	\$52,235

Assets acquired prior to 1994 totaling \$784,903 are included in the General Fixed Assets Account Group of the Parish. The assets as of December 31, 1998 are made up of the following:

Land and building	\$291,780
Automobiles	453,495
Machinery and equipment	43,905
Office furniture and equipment	13,315
Total	\$784,903

Note 4 - CHANGES IN FIXED ASSETS (Continued)

There was no change in the fixed assets held by the Parish for the District in 1998.

Note 5 - CHANGES IN LONG-TERM DEBT

At December 31, 1998, the District had no outstanding general obligation bonds. The bonds were repaid on March 1, 1998 primarily from ad valorem tax revenues.

The following is a summary of the bond transactions of the District for the year ended December 31, 1998:

Bonds payable at January 1, 1998	\$ 70,000
Bonds retired	<u>(70,000)</u>
 Bonds payable at December 31, 1998	 <u>\$ -0-</u>

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, 1998, 1997 and 1996 were \$5,478, \$6,814 and \$7,813, respectively, equal to the required contributions for each year.

Note 7 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 1998:

Board Members	Number of Meetings Attended	Per Diem
Roland Austin	19	\$ 570
Cheryl Blanchard	20	- *
Willie Harvillain	23	630
Angelic Falgout	20	600
Clayton Veiss	15	450
Total		<u>\$2,250</u>

* Cheryl Blanchard waived her right to receive a per diem.

Note 8 - 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 77:2683, any full-time, regular employee of the parish fire protection district who is hired after March 31, 1986, who has passed a certified fireman'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 fireman'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.

Note 8 - SUPPLEMENTAL PAY (Continued)

As of December 31, 1998, the District has recognized revenue and expenditures of \$6,300 in salary supplements that the State of Louisiana has paid directly to the District's employees.

Note 9 - 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 below:

<u>Policy</u>	<u>Coverage Limits</u>
Workers' Compensation Group Insurance	Statutory \$1,125,000

Coverage for claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund, \$887,017 for workers' compensation and \$2,936,677 for group insurance at December 31, 1997, then secondly by the District. At December 31, 1998, the District had no claims in excess of the above coverage limits.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Monnet

**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 the 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, 1998, and have issued our report thereon dated April 15, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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

Monroe, La.,
April 15, 1999.

SCHEDULE OF FINDINGS

Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 1998

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, 1998.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 1998.

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, 1998

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

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 1997.

No reportable conditions were reported during the audit for the year ended December 31, 1997.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1997.

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, 1997.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1997.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Fire District No. 4-A

For the year ended December 31, 1998

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

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 1998.

No reportable conditions were reported during the audit for the year ended December 31, 1998.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1998.

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, 1998.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1998.