



**BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.  
FIRE FIGHTERS' ACCOUNT**

**Financial Report**

**Houma, Louisiana**

**December 31, 1998**

BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.  
FIRE FIGHTERS' ACCOUNT

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Houma, Louisiana

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# Bergeron & Lanaux

--- CERTIFIED PUBLIC ACCOUNTANTS ---

A PROFESSIONAL CORPORATION

CLAUDE E. BERGERON, CPA  
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MICHAEL D. BERGERON, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Bayou Cane Volunteer Fire Department, Inc.  
Fire Fighters' Account  
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account (the Account) (a Non-Profit Organization), 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 Account'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 Governmental 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.

The financial statements present only the Fire Fighters' Account Fund referred to above and do not include the assets, liabilities, and fund balances and revenues and expenditures that are recorded in other funds of the Bayou Cane Volunteer Fire Department, Inc. Accordingly, the accompanying financial statements are not intended to present the financial position of Bayou Cane Volunteer Fire Department, Inc. as of December 31, 1998, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account as of December 31, 1998 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The Account has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by the Governmental Accounting Standards Board Technical Bulletin 99-1, that Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the Account is or will become year 2000 compliant, that the Account's year 2000 remediation

efforts will be successful in whole or in part, or that parties with which the Account does business are or will become year 2000 compliant.

In accordance with Government Auditing Standards, we have also issued a report dated June 2, 1999 on our consideration of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

June 2, 1999

*Bergeron & Lanoux*

BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.  
FIRE FIGHTERS' ACCOUNT

Balance Sheet

December 31, 1998

ASSETS

CURRENT

Cash

\$ 37,839

Total assets

\$ 37,839

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts payable and accrued expenses

\$ 1,965

FUND BALANCE

35,874

Total liabilities and fund balance

\$ 37,839

BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.  
FIRE FIGHTERS' ACCOUNT

Statement of Revenues, Expenditures and  
Changes in Fund Balance

Year Ended December 31, 1998

REVENUE

Intergovernmental:

    Bayou Cane Fire Protection District:

        Contract services \$ 290,638

Miscellaneous:

    Interest earned 2,454

    Other 15,762

        Total revenues \$ 308,854

EXPENDITURES

Public safety:

    Personal services 118,634

    Supplies and materials 51,387

    Repairs and maintenance 44,670

    Other services and charges:

        Insurance 78,895

        Training and travel 5,963

        Utilities and telephone 18,660

        Professional fees 11,345

        Medical 2,002

        Other 15,598

        Total expenditures 347,154

        Excess of revenues over expenditures (38,300)

FUND BALANCE

    Beginning of year 139,470

    Other changes in fund balance:

        Capital additions (65,296)

    End of year \$ 35,874

BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.  
FIRE FIGHTERS' ACCOUNT

Notes to Financial Statements

1) Summary of Significant Accounting Policies

Bayou Cane Volunteer Fire Department, Inc. is organized as a non-profit, quasi-governmental corporation to provide fire protection to the Parish of Terrebonne. The Fire Fighters' Account (the Account) is a restricted fund of the corporation to account for revenues from governmental agencies.

The financial statements of the Account are prepared on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when the related liability is incurred. Fixed assets and long-term debt are accounted for in other funds, and accordingly, capital additions and debt retirement are shown as changes to fund balance. Amounts transferred from other funds of the corporation are also shown as changes to fund balance.

2) Fire Protection Contract and Economic Dependence

On May 3, 1997, the voters of the Bayou Cane Fire Protection District (the District) approved a 10 mill property tax for a period of 10 years beginning in 1997 to operate and maintain fire protection services. The District has contracted with the Fire Department to provide these services for a period of one year beginning January 12, 1998. The contract is renewed automatically unless one of the parties provides written notice of cancellation at least ninety days prior to expiration. The income from this contract accounts for a substantial portion of the Fire Department's revenues.

3) Risk Management

The Fire Department is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. To manage these risks, the Fire Department has obtained coverage through participation in the Terrebonne Parish Government's self-insurance program and through the purchase of commercial insurance. During 1998, there were no claims in excess of insurance coverage.



SUPPLEMENTARY FINANCIAL REPORTS

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

To the Bayou Cane Volunteer Fire Department, Inc. Board  
Houma, Louisiana

We have audited the financial statements of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account as of and for the year ended December 31, 1998, and have issued our report thereon dated June 2, 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 Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bayou Cane Volunteer Fire Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Bayou Cane Volunteer Fire Department Board, the Bayou Cane Fire Protection District Board, 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.

*Bergeron & Lanoux*

June 2, 1999

BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.  
FIRE FIGHTERS' ACCOUNT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 1998

We have audited the financial statements of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account as of and for the year ended December 31, 1998, and have issued our report thereon dated June 2, 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. Our audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

- a. Report on Internal Control and Compliance Material to the Financial Statements
- Internal Control:
- |                       |          |              |
|-----------------------|----------|--------------|
| Material Weakness     | ____ Yes | <u>XX</u> No |
| Reportable Conditions | ____ Yes | <u>XX</u> No |
- Compliance:
- |   |          |              |
|---|----------|--------------|
| Compliance Material to Financial Statements | ____ Yes | <u>XX</u> No |
|---|----------|--------------|
- b. Federal Awards - (Not applicable)
- c. Identification of Major Programs – (Not applicable)

**Section II Financial Statement Findings**

There were none noted.

**Section III Federal Award Findings and Questioned Costs**

Not Applicable.

BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.  
FIRE FIGHTERS' ACCOUNT  
SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 1998

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

There were none noted for the year ended December 31, 1997.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

Not applicable.

**SECTION III MANAGEMENT LETTER**

No management letter was issued for the year ended December 31, 1997.

BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.  
FIRE FIGHTERS' ACCOUNT  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 1998

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT**

No findings were reported which require a response from management.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

Not applicable.

**SECTION III MANAGEMENT LETTER**

No management letter was issued.