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**BAYOU CANE FIRE PROTECTION DISTRICT  
TERREBONNE PARISH COUNCIL**  
Houma, Louisiana

General Purpose Financial Statements  
With Supplemental Information Schedules  
And Independent Auditor's Reports

As of and for the Year Ended December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 JUN 07 2000

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**BAYOU CANE FIRE PROTECTION DISTRICT  
TERREBONNE PARISH COUNCIL**

Houma, Louisiana

General Purpose Financial Statements  
With Supplemental Information Schedules  
and Independent Auditor's Report

As of and for the year ended December 31, 1999

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Bayou Cane Fire Protection District  
Terrebonne Parish Council  
Houma, Louisiana

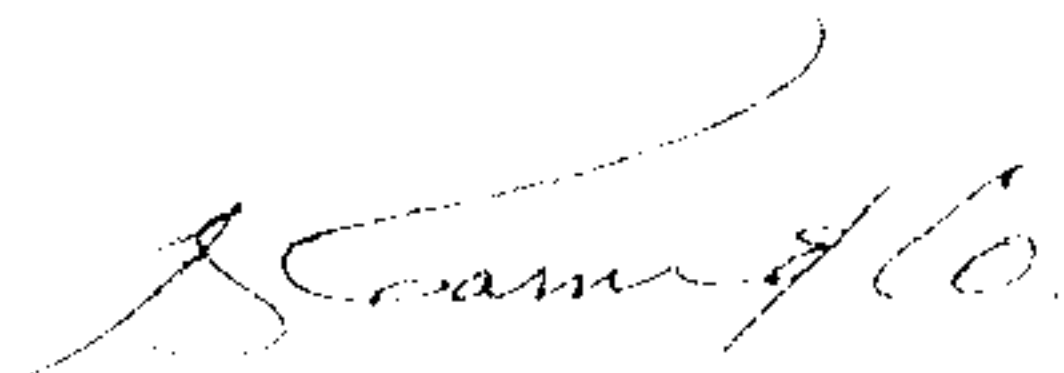
We have audited the accompanying general purpose financial statements of the Bayou Cane Fire Protection District as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Bayou Cane Fire Protection District's 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 the Bayou Cane Fire Protection District as of December 31, 1999, 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 May 15, 2000 on our consideration of the Bayou Cane Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Bayou Cane Fire Protection District, taken as a whole. The accompanying supplemental information as listed in the table of contents and is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



May 15, 2000

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**BAYOU CANE FIRE PROTECTION DISTRICT  
TERREBONNE PARISH COUNCIL  
Houma, Louisiana**

**Balance Sheet - General Fund  
December 31, 1999**

**ASSETS**

Cash	\$ 23,456
Ad valorem taxes receivable	643,509
State revenue sharing receivable	42,990
Receivable from Bayou Cane Volunteer Fire Dept.	<u>37,868</u>
<b>Total assets</b>	<b><u><u>\$ 747,823</u></u></b>

**LIABILITIES AND FUND BALANCE**

Liabilities - deferred revenues	\$ 745,861
Fund Balance - unreserved	<u>1,962</u>
<b>Total liabilities and fund balance</b>	<b><u><u>\$ 747,823</u></u></b>

## Statement B

**BAYOU CANE FIRE PROTECTION DISTRICT  
TERREBONNE PARISH COUNCIL  
Houma, Louisiana**

**Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1999**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Intergovernmental:			
Terrebonne Parish:			
Ad valorem taxes	\$ 606,269	\$ 614,752	\$ 8,483
State of Louisiana:			
Insurance rebate	37,311	37,312	1
Revenue sharing	<u>62,755</u>	<u>62,755</u>	<u>-</u>
Total intergovernmental revenue	<u>706,335</u>	<u>714,819</u>	<u>8,484</u>
Interest earned	<u>14,110</u>	<u>16,386</u>	<u>2,276</u>
Total revenue	720,445	731,204	10,759
<b>EXPENDITURES</b>			
Public safety:			
Contract payments for fire protection	978,500	990,297	(11,797)
Other services and charges:			
Per diems paid to board members	<u>4,500</u>	<u>1,500</u>	<u>3,000</u>
Total expenditures	<u>983,000</u>	<u>991,797</u>	<u>(8,797)</u>
<b>EXCESS REVENUES (EXPENDITURES)</b>	(262,555)	(260,593)	1,962
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>262,555</u>	<u>262,555</u>	<u>0</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 1,962</u>	<u>\$ 1,962</u>



**BAYOU CANE FIRE PROTECTION DISTRICT  
TERREBONNE PARISH COUNCIL  
Houma, Louisiana**

**Notes to the Financial Statements  
As of and for the year ended December 31, 1999**

**INTRODUCTION**

The Bayou Cane Fire Protection District (the District) was created by the Terrebonne Parish Consolidated Government (the Parish) by Ordinance No. 5732, dated February 7, 1997, pursuant to Louisiana Revised Statutes 40:1493 and 40:1494. The District provides fire protection and related services and facilitates in Terrebonne Parish within the boundaries established by the ordinance.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying general purpose financial statements of the Bayou Cane Fire Protection District have been prepared in conformity with 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.

**B. Reporting entity**

As the governing authority of the parish, for reporting purposes, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The financial reporting entity consists of (a) the primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is classified as a component unit of the Terrebonne Parish Consolidated Government. The members of the District's governing board are appointed by the Parish and all Louisiana State Bond Commission approvals must be obtained through the Parish. Therefore, the Parish has the ability to impose its will on the District.

**C. Fund accounting**

The District uses funds 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

**BAYOU CANE FIRE PROTECTION DISTRICT  
TERREBONNE PARISH COUNCIL  
Houma, Louisiana**

**Notes to the Financial Statements  
As of and for the year ended December 31, 1999**

and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all resources and expenditures.

**D. 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.

The governmental fund type (General Fund) is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets.

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the District) are considered available in the year for which the taxes are budgeted. The 1999 taxes were levied to finance the 2000 budget and are recorded as deferred revenues on the District's balance sheet as of December 31, 1999. Taxes paid under protest are recorded in the year available. Delinquent taxes are considered uncollectible and are not recorded as revenues, consequently, no allowance for uncollectible taxes is considered necessary.

Expenditures are generally recognized when the related fund liability is incurred.

**E. Budgets**

As required by Louisiana Revised Statute 39:1303, the District adopted a budget for the General Fund. All budget amounts that are not expended, or obligated through contracts, lapse at year-end. The original budget was approved following a public hearing and was subsequently amended following a public hearing.

**F. Encumbrances**

The District does not use encumbrance accounting.

**NOTE 2. CASH AND CASH EQUIVALENTS**

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 principle offices in Louisiana or any other federally insured investments. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1999, the District has cash (book balances) totaling \$ 23,455.92.

**BAYOU CANE FIRE PROTECTION DISTRICT  
TERREBONNE PARISH COUNCIL  
Houma, Louisiana**

**Notes to the Financial Statements  
As of and for the year ended December 31, 1999**

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or resulting book balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 1999, are secured by federal deposit insurance.

**NOTE 3. LEVIED TAXES**

On May 3, 1997, the voters of the District approved a tax of ten (10) mills on the assessed value of all property within the District subject to a taxation for a period of ten (10) years beginning 1997. The District levied 9.79 of the authorized 10 mills for 1998. These taxes and the related state revenue sharing were budgeted to be expended in 1999 and were included as revenue on the Statement of Revenues, Expenditures and changes in Fund Balance – General Fund for the year ended 1999. The District levied 9.79 of the authorized 10 mills for 1999. These taxes and related state revenue sharing are budgeted for year ending December 31, 2000 and are included as deferred revenue on the balance sheet as of December 31, 1999.

**NOTE 4. COMMITMENTS**

On January 12, 1998, The District entered into a fire protection contract with the Bayou Cane Volunteer Fire Department (the Department). The contract is renewed automatically unless one of the parties provides written notice of cancellation at least ninety days prior to expiration. Under this contract, the Department will receive the net proceeds of the District's property tax millage in exchange for providing fire protection and related services and facilities to the District.

**NOTE 5. LITIGATION AND CLAIMS**

As of December 31, 1999, there was an appeal pending in the Federal 5<sup>th</sup> Circuit Court of Appeals, in the matter entitled *Leonard vs. Gautreaux*. Since that date, the Court of Appeals has issued its ruling, affirming the decision of the lower court, in favor of Chief Gautreaux, the Bayou Cane Volunteer Fire Department, and other members of the department and the parish. As a result, all activities surrounding that litigation have come to a close. The Bayou Cane Volunteer Fire Department is involved in no other pending or threatened litigation.



## **Supplemental Information Schedules**

**BAYOU CANE FIRE PROTECTION DISTRICT  
 TERREBONNE PARISH COUNCIL  
 Houma, LA**

Schedule of Compensation Paid to Board Members  
 For the Year Ended December 31, 1999

<u>Board Member</u>	<u>Per Diem</u>	<u>No. of Days</u>	<u>Total Per Diem</u>
Tommy Beeson	\$ 30	9	\$ 270.00
Danny Gaudet	30	9	270.00
Billy Hebert	30	11	330.00
Tony Indovina	30	12	360.00
Wayne Rushing	30	9	270.00
Total			<u>\$ 1,500.00</u>

**BAYOU CANE FIRE PROTECTION DISTRICT**  
**TERREBONNE PARISH COUNCIL**  
Houma, Louisiana  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 1999**

**Schedule 2**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>1998-1</u>	<u>See below</u>	<u>See below</u>	<u>Jerry Gautreaux, Chief</u>	<u>December 31, 1999</u>

Description of Finding:

The budget document did not include a budget message signed by the budget preparer as is required by R.S. 39:1304.

The budget statement did not show estimated revenues to be received for the year or estimated fund balances for the beginning and ending of the fiscal year as is required by R.S. 39:1304.

The District did not retain certified copies of the adopted budget, budget adoption instrument, and duly authorized budget amendments as is required by R.S. 39:1312.

Corrective Action Taken:

The board members became familiar with all provisions of laws pertaining to preparing and adopting budgets contained in the Louisiana Revised Statutes and established procedures to insure future compliance.

**BAYOU CANE FIRE PROTECTION DISTRICT  
 TERREBONNE PARISH COUNCIL  
 Houma, Louisiana  
 Corrective Action Plan for  
 Current Year Audit Findings  
 For the Year Ended December 31, 1999**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
None				

Description of Finding:

There are no findings required to be reported.

Corrective Action Planned:



**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

**Report on Compliance and on Internal Control**

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 Board of Commissioners  
Bayou Cane Fire Protection District  
Terrebonne Parish Council  
Houma, Louisiana

We have audited the general purpose financial statements of the Bayou Cane Fire Protection District, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 15, 2000. 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.

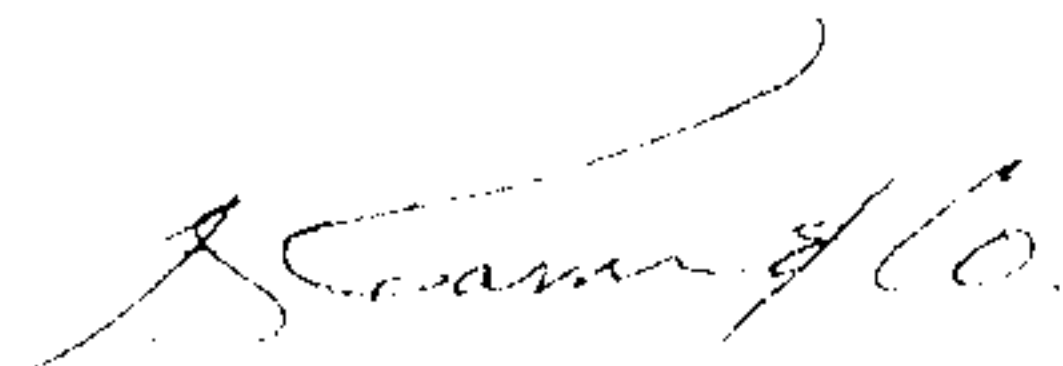
Compliance

As part of obtaining reasonable assurance about whether the Bayou Cane Fire Protection District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bayou Cane Fire Protection 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 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



May 15, 2000

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