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Financial Report
Bayou Blue Fire Protection District
Houma, Louisiana
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 08-02-00

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Bayou Blue Fire Protection District

December 31, 1999

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Bayou Blue Fire Protection District,
Houma, Louisiana.

We have audited the accompanying general-purpose financial statements of Bayou Blue Fire Protection District (the District), a component unit of Terrebonne Parish Consolidated Government, 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 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 Bayou Blue 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 April 7, 2000 on our consideration of Bayou Blue Fire Protection District's internal control over financial reporting and on 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 7, 2000.

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

Bayou Blue Fire Protection District

December 31, 1999

	Governmental	Account Groups		Total
	<u>Fund Type</u>	<u>General</u>	<u>General</u>	<u>(Memorandum</u>
	<u>General</u>	<u>Fixed</u>	<u>Long-Term</u>	<u>Only)</u>
		<u>Assets</u>	<u>Obligations</u>	
Assets				
Cash	\$ 15,905	\$ -	\$ -	\$ 15,905
Investments	20,012	-	-	20,012
Receivables - taxes	35,303	-	-	35,303
State revenue sharing receivable	2,586	-	-	2,586
Fixed assets	-	188,940	-	188,940
Other Debits				
Amount to be provided for retirement of general long-term obligations	-	-	115,494	115,494
Total assets and other debits	<u>\$ 73,806</u>	<u>\$ 188,940</u>	<u>\$ 115,494</u>	<u>\$ 378,240</u>
Liabilities				
Accounts payable and accrued expenditures	\$ 310		\$ -	\$ 310
Deferred revenue	40,373		-	40,373
Due to Terrebonne Parish Consolidated Government	15,942		-	15,942
Other long-term obligations	-		115,494	115,494
Total liabilities	<u>56,625</u>		<u>115,494</u>	<u>172,119</u>
Equity and Other Credits				
Investment in general fixed assets	-	\$ 188,940		188,940
Fund balance - unreserved	17,181	-		17,181
Total equity and other credits	<u>17,181</u>	<u>188,940</u>		<u>206,121</u>
Total liabilities, equity and other credits	<u>\$ 73,806</u>	<u>\$ 188,940</u>	<u>\$ 115,494</u>	<u>\$ 378,240</u>

See notes to financial statements.

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

Bayou Blue Fire Protection District

For the year ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 41,425	\$ 41,426	\$ 1
Intergovernmental:			
State of Louisiana:			
State revenue sharing	3,725	3,729	4
Fire insurance tax	3,375	3,382	7
Miscellaneous - interest	2,150	2,157	7
Total revenues	50,675	50,694	19
Expenditures			
Current:			
General Government:			
Ad valorem tax adjustment	800	765	35
Ad valorem tax deductions	1,225	1,223	2
Total general government	2,025	1,988	37
Public Safety:			
Supplies and materials	2,650	1,550	1,100
Other services and charges	12,050	11,577	473
Repairs and maintenance	500	264	236
Capital expenditures	185,000	184,513	487
Total public safety	200,200	197,904	2,296
Total expenditures	202,225	199,892	2,333
Deficiency of revenues over expenditures	(151,550)	(149,198)	2,352
Other Financing Source			
Capital lease	115,494	115,494	-
Deficiency of Revenues and Other Financing Source Over Expenditures	(36,056)	(33,704)	2,352
Fund Balance			
Beginning of year	50,885	50,885	-
End of year	\$ 14,829	\$ 17,181	\$ 2,352

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Bayou Blue Fire Protection District**

December 31, 1999

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Bayou Blue Fire Protection District (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, 1999.

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

Account Groups

Account groups are used to establish accounting control and accountability. The District's Account Groups are 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.

General Long-Term Obligations Account Group -- This account group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting (Continued)

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are recorded as revenue in the period for which levied, thus the 1999 property taxes which are being levied to finance the 2000 budget will be recognized as revenue in 2000. The 1999 tax levy is recorded as deferred revenue in the District's 1999 Financial Statements. Miscellaneous revenues are recorded as revenues when received in cash by the District or an intermediary collecting agency 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) 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 those 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 Board, as allowed by state law, does not obtain public participation in the budget process. 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 for the year ended December 31, 1999. 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements for 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 during the year consisted of certificates of deposit and a Federal Home Loan Bank Note.

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 Obligations

Long-term debt is recognized as a liability of a Governmental Fund when due. For other long-term obligations, only that portion expected to be financed from unexpendable 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 Obligations Account Group.

j) Encumbrances

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Memorandum Only - Total Column

The total column on the general-purpose financial statements is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does 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

The Parish maintains an investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "investments."

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

State law also requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivision 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. In accordance with state law all cash and deposits were collateralized.

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.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

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

	Bank Balances Category			<u>Book Balance</u>
	1	2	3	
	Cash	<u>\$15,905</u>	<u>\$ -</u>	

At December 31, 1999, cash did not exceed the FDIC insurance coverage.

Investments:

State statutes authorize the District to invest in the U.S. Treasury, agencies and instrumentalities; commercial paper rated AAA 1, 2 or 3; repurchase agreements and the Louisiana Asset Management Pool.

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the District's name.

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

	Risk Category			<u>Carrying Amount</u>
	1	2	3	
Investment subject to categorization:				
Federal Home Loan Bank Note	<u>\$20,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$20,012</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, 1999 was \$9.79 per \$1,000 of assessed valuation on property within Bayou Blue Fire Protection District for the purpose of acquiring, constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes, including fire hydrant rentals and service. As indicated in Note 1c, taxes levied November 1, 1999 are for budgeted expenditures in 2000 and will be recognized as revenues in 2000.

Note 4 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January 1, 1999	<u>Additions</u>	Balance December 31, 1999
Machinery and equipment	\$4,427	\$ 909	\$ 5,336
Fire truck	<u>-</u>	<u>183,604</u>	<u>183,604</u>
Totals	<u>\$4,427</u>	<u>\$184,513</u>	<u>\$188,940</u>

There are numerous assets, vehicles and equipment, used by the District which were purchased by a not-for-profit volunteer fire company and the Parish. These assets remain in the name of the purchasing party and accordingly are not included in the General Fixed Assets Account Group of the District.

Note 5 - LONG-TERM OBLIGATIONS

The District entered into a lease agreement as lessee for financing the acquisition of a fire truck in 1999. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the General Fixed Assets Account Group in the amount of \$183,604.

The following is a summary of changes in long-term obligations of the District for the year ended December 31, 1999:

Payable at January 1, 1999	\$ -
New Issues	<u>115,494</u>
Payable at December 31, 1999	<u>\$115,494</u>

The future minimum lease obligations and the net present value of these minimum lease payments at December 31, 1999 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 13,541	\$ 6,861	\$ 20,402
2001	14,805	5,597	20,402
2002	15,618	4,784	20,402
2003	16,475	3,927	20,402
2004	17,380	3,022	20,402
2005 – 2006	<u>37,675</u>	<u>3,130</u>	<u>40,805</u>
Totals	<u>\$115,494</u>	<u>\$27,321</u>	<u>\$142,815</u>

Note 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District is covered by commercial insurance and also participates in the Parish's risk management program for auto liability. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for auto liability are based on claims experience, vehicle type and millage. 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>
Auto Liability	\$6,250,000

Note 6 - RISK MANAGEMENT (Continued)

Coverage for claims in excess of the stated limit on the previous page is to be funded first by assets of the Parish's risk management internal service fund, \$122,294 at December 31, 1998, then secondly by the District. At December 31, 1999, the District had no claims in excess of the above coverage limit.

Note 7 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 1999.

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,
Bayou Blue Fire Protection District,
Houma, Louisiana.

Our report on our audit of the general-purpose financial statements of Bayou Blue Fire Protection District (the District) for the year ended December 31, 1999, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of revenues and expenditures and graphs of revenues and expenditures for the year ended December 31, 1999 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 for the year ended December 31, 1999, taken as a whole.

We also have previously audited, 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, the balance sheets of Bayou Blue Fire Protection District as of December 31, 1998 and 1997, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 1998 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 1998 and 1997 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
April 7, 2000.

SCHEDULE OF REVENUES AND EXPENDITURES**Bayou Blue Fire Protection District**

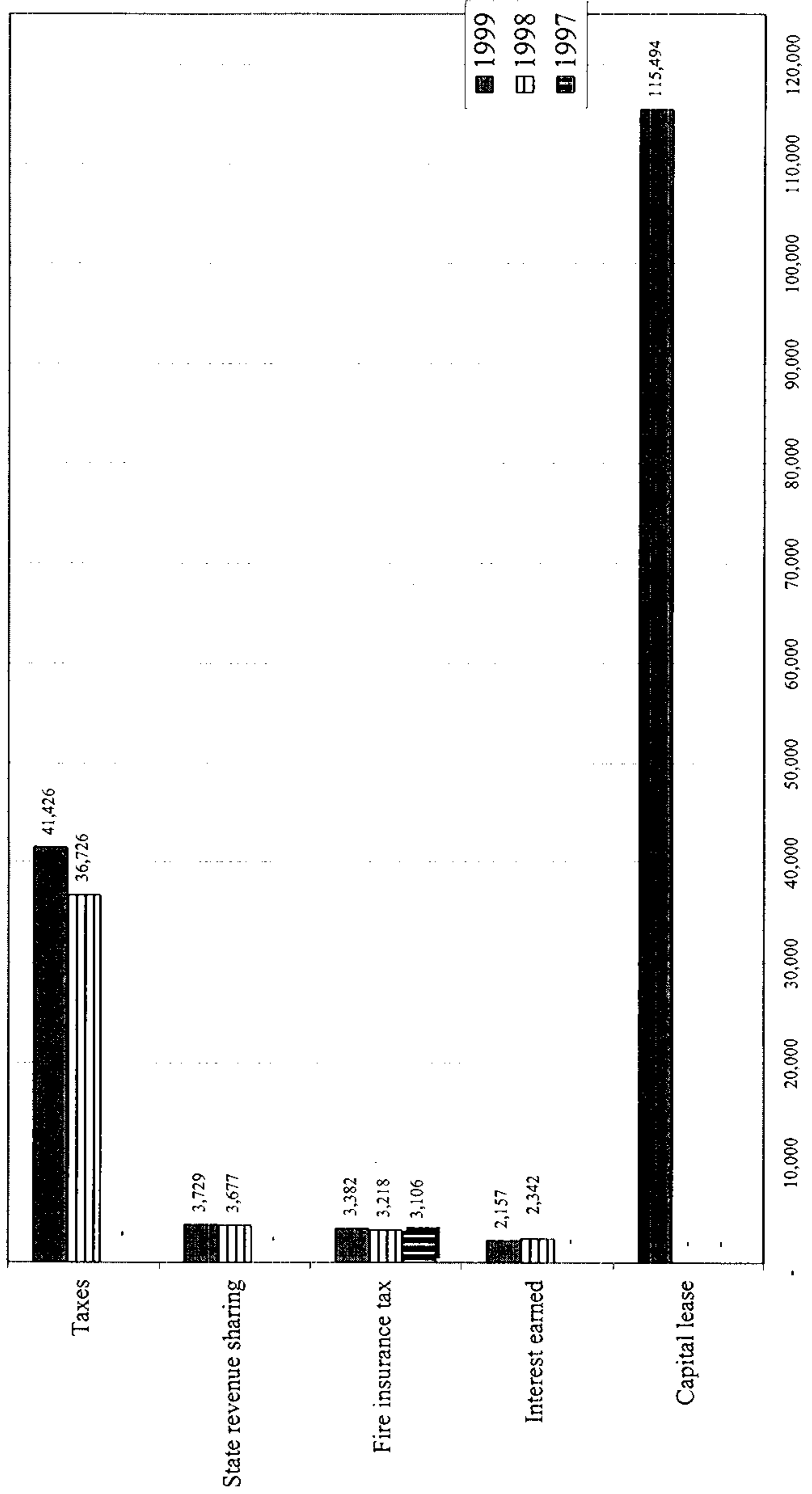
For the years ended December 31, 1999, 1998 and 1997

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Revenues			
Taxes	\$ 41,426	\$ 36,726	\$ -
State revenue sharing	3,729	3,677	-
Interest earned	3,382	3,218	3,106
Interest earned	2,157	2,342	-
Capital lease	115,494	-	-
	<u>115,494</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 166,188</u>	<u>\$ 45,963</u>	<u>\$ 3,106</u>
Expenditures			
General government	\$ 1,988	\$ 1,909	\$ -
Supplies and materials	1,550	2,201	-
Other services and charges	11,577	10,436	6,272
Repairs and maintenance	264	1,289	-
Capital expenditures	184,513	4,427	-
	<u>184,513</u>	<u>4,427</u>	<u>-</u>
Total expenditures	<u>\$ 199,892</u>	<u>\$ 20,262</u>	<u>\$ 6,272</u>

REVENUES

Bayou Blue Fire Protection District

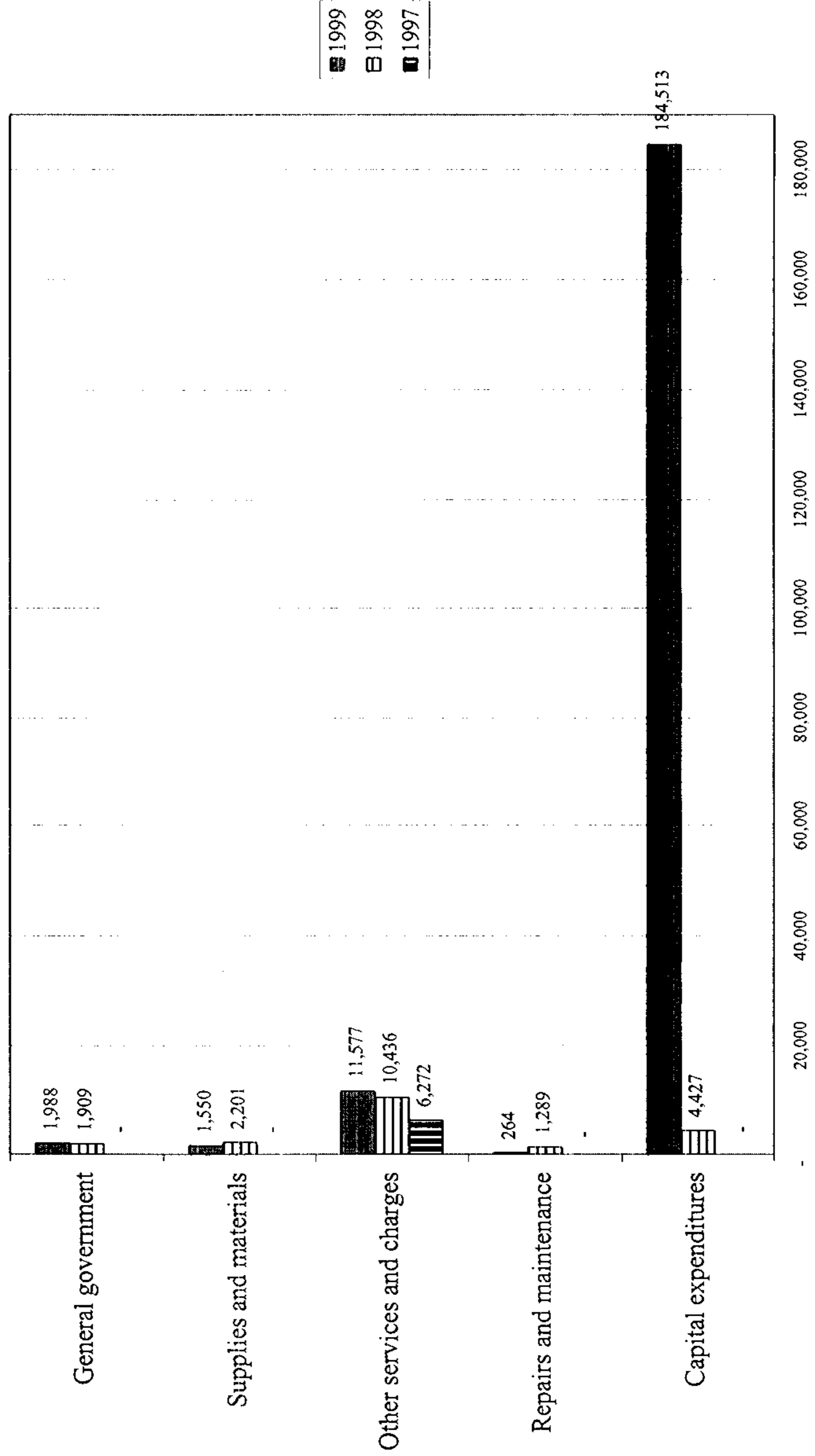
For the years ended December 31, 1999, 1998 and 1997



EXPENDITURES

Bayou Blue Fire Protection District

For the years ended December 31, 1999, 1998 and 1997



SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**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,
Bayou Blue Fire Protection District,
Houma, Louisiana.

We have audited the general-purpose financial statements of the Bayou Blue Fire Protection District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1999, and have issued our report thereon dated April 7, 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 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 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 any one other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
April 7, 2000.

SCHEDULE OF FINDINGS

Bayou Blue Fire Protection District

For the year ended December 31, 1999

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

Bayou Blue Fire Protection District did not receive federal awards during the year ended December 31, 1999.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 1999.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Bayou Blue Fire Protection District

For the year ended December 31, 1999

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

Internal Control

No material weaknesses were reported 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

Bayou Blue Fire Protection District 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.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Bayou Blue Fire Protection District

For the year ended December 31, 1999

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

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 1999.
No reportable conditions were reported during the audit for the year ended December 31, 1999.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1999.

Section II Internal Control and Compliance Material to Federal Awards

Bayou Blue Fire Protection District did not receive federal awards during the year ended December 31, 1999.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1999.