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Financial Report

Terrebonne Parish Fire District No. 10

Theriot, 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 public 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: JUL 19 2000

TABLE OF CONTENTS

Terrebonne Parish Fire District No. 10

December 31, 1999

| | <u>Exhibits</u> | <u>Page Number</u> |
|---|-------------------------|--------------------|
| Introductory Section | | |
| Title Page | | i |
| Table of Contents | | ii - iii |
| Financial Section | | |
| Independent Auditor's Report | | 1 |
| Combined Balance Sheet - Governmental Fund Types and Account Groups | A | 2 - 3 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Types | B | 4 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund | C | 5 |
| Notes to Financial Statements | D | 6 - 18 |
| | <u>Schedules</u> | |
| Supplementary Information Section | | |
| Independent Auditor's Report on Additional Information | | 19 |
| Schedule of Revenues and Expenditures for the Years Ended December 31, 1999, 1998 and 1997 | 1 | 20 |
| Graph of Revenues for the Years Ended December 31, 1999, 1998 and 1997 | 2 | 21 |
| Graph of Expenditures for the Years Ended December 31, 1999, 1998 and 1997 | 3 | 22 |

TABLE OF CONTENTS
(Continued)

| | <u>Page</u> <u>Number</u> |
|---|------------------------------|
| 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 <u>Government Auditing Standards</u> | 23 -24 |
| Schedule of Findings | 25 |
| Reports By Management | |
| Schedule of Prior Year Findings | 26 |
| Management's Corrective Action Plan | 27 |

FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Fire District No. 10,
Theriot, Louisiana.

We have audited the accompanying general-purpose financial statements of Terrebonne Parish Fire District No. 10 (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 Terrebonne Parish Fire District No. 10 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 Terrebonne Parish Fire District No. 10'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

Houston, La.,
May 15, 2000.

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

Terrebonne Parish Fire District No. 10

December 31, 1989

| | Governmental Fund Types | | |
|---|-------------------------|-------------------|-------------------|
| | General | Debt Service | Capital Projects |
| ASSETS AND OTHER DEBITS | | | |
| Assets | | | |
| Cash | \$ 20,906 | \$ 4,790 | \$ 69,349 |
| Investments | - | - | 707,681 |
| Receivables - taxes | 17,416 | 5,808 | - |
| Due from other governmental units | 182,698 | 91,607 | - |
| Prepaid insurance | 10,528 | - | - |
| Fixed assets | - | - | - |
| Other Debits | | | |
| Amount available in Debt Service Fund | - | - | - |
| Amount to be provided for retirement of general long-term debt | - | - | - |
| Total assets and other debits | \$ 331,548 | \$ 102,204 | \$ 777,039 |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | |
| Liabilities | | | |
| Accounts payable and accrued expenditures | \$ 4,119 | \$ 3,267 | \$ 985 |
| Notes payable | 20,000 | - | - |
| Bonds payable | - | - | - |
| Total liabilities | 24,119 | 3,267 | 985 |
| Equity and Other Credits | | | |
| Investment in general fund assets | - | - | - |
| Fund balances: | | | |
| Reserved: | | | |
| Prepaid insurance | 10,528 | - | - |
| Debt service | - | 88,937 | - |
| Unreserved: | | | |
| Designated for capital projects | - | - | 303,940 |
| Undesignated | 286,800 | - | 472,155 |
| Total equity and other credits | 307,328 | 88,937 | 776,125 |
| Total liabilities, equity and other credits | \$ 331,548 | \$ 102,204 | \$ 777,039 |

See notes to financial statements.

| Account Groups | | Total (Microcentrum Only) |
|----------------------------|------------------------------|---------------------------------|
| General Fixed Assets | General Long-Term Debt | |
| \$ - | \$ - | \$ 95,047 |
| - | - | 397,681 |
| - | - | 23,321 |
| - | - | 134,387 |
| - | - | 10,326 |
| <u>272,026</u> | - | <u>272,026</u> |
| - | 98,937 | 98,937 |
| - | <u>708,863</u> | <u>708,863</u> |
| <u>\$ 272,026</u> | <u>\$ 808,800</u> | <u>\$ 2,232,708</u> |
| | \$ - | \$ 7,891 |
| | - | 28,800 |
| | <u>808,800</u> | <u>808,800</u> |
| | <u>808,800</u> | <u>827,891</u> |
| \$ 272,026 | | \$ 232,026 |
| - | | 18,528 |
| - | | 98,937 |
| - | | 383,948 |
| - | | <u>793,388</u> |
| <u>222,026</u> | | <u>1,494,817</u> |
| <u>\$ 222,026</u> | <u>\$ 808,800</u> | <u>\$ 2,232,708</u> |

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

Terrillman Periodic Flow District No. 18

For the year ended December 31, 1998

| | General | Debt Service | Capital Projects | Total (Memorandum Only) |
|---|----------------|-----------------|---------------------|-------------------------------|
| Revenues | | | | |
| Taxes | \$ 368,711 | \$ 884,868 | \$ - | \$ 1,253,579 |
| Intergovernmental | | | | |
| Federal government | | | | |
| FEMA reimbursement | 3,967 | - | - | 3,967 |
| State of Louisiana | | | | |
| State revenue sharing | 11,669 | - | - | 11,669 |
| Office of Rural Development Grant | 18,088 | - | - | 18,088 |
| Fire contingency fee | 8,303 | - | - | 8,313 |
| Supplemental pay | 3,206 | - | - | 3,316 |
| Miscellaneous | | | | |
| Interest | 1,290 | 58 | 7,983 | 9,331 |
| Other | 506 | - | - | 514 |
| Total revenues | 393,210 | 884,933 | 7,983 | 1,286,126 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | | | | |
| All revenues tax adjustment | 7,977 | - | - | 7,977 |
| All revenues tax deductions | 8,994 | 3,098 | - | 12,092 |
| Total general government | 16,971 | 3,098 | | 20,069 |
| Public Safety | | | | |
| Personal services | 136,815 | - | - | 136,815 |
| Supplies and materials | 1,517 | - | - | 1,517 |
| Other services and charges | 38,343 | - | - | 38,343 |
| Repairs and maintenance | 25,148 | - | - | 25,148 |
| Capital expenditures | 10,122 | - | - | 10,122 |
| Total public safety | 211,945 | | | 211,945 |
| Capital Outlay: | | | | |
| Public safety | | | 30,457 | 30,457 |
| Total expenditures | 228,916 | 3,098 | 30,457 | 262,471 |
| Payroll (deficiency) of revenues over expenditures | 164,294 | 88,837 | (22,474) | 230,657 |
| Other Financing Sources | | | | |
| General-obligation bond proceeds | - | - | 888,080 | 888,080 |
| Proceeds of general fund asset disposition | 816 | - | - | 816 |
| Total other financing sources | 816 | | 888,080 | 888,900 |
| Excess of Revenues and Other Financing Sources Over Expenditures | 164,100 | 88,837 | 865,603 | 1,118,540 |
| Fund Balances | | | | |
| Beginning of year | 184,164 | - | - | 184,164 |
| End of year | \$ 348,264 | \$ 88,837 | \$ 865,603 | \$ 1,302,704 |

See notes to financial statements.

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

Terraceview Parish Fire District No. 10

For the year ended December 31, 1999

| | <u>Budget</u> | <u>Budgetary Basis</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|--|--|---|
| Revenues | | | |
| Taxes | \$ 178,394 | \$ 181,568 | \$ 3,185 |
| Federal government: FEMA reimbursement | 3,987 | 3,987 | - |
| Intergovernmental: State of Louisiana: State revenue sharing Office of Rural Development grant Fire insurance tax | 8,350 10,000 8,900 | 8,457 10,000 8,915 | 1,100 - 15 |
| Miscellaneous: Interest Other | 1,150 317 | 1,488 535 | 388 (1) |
| Total revenues | <u>211,868</u> | <u>215,722</u> | <u>4,654</u> |
| Expenditures | | | |
| Current: | | | |
| General Government: Ad valorem tax adjustment Ad valorem tax distribution | 965 5,468 | 865 5,469 | |
| Total general government | <u>6,434</u> | <u>6,434</u> | |
| Public Safety: | | | |
| Personnel services Supplies and materials Other services and charges Repairs and maintenance Capital expenditure | 133,680 1,700 21,820 24,500 13,750 | 133,517 1,483 21,166 26,038 11,723 | (837) 215 754 (2,100) 27 |
| Total public safety | <u>203,750</u> | <u>204,529</u> | <u>(1,979)</u> |
| Total expenditures | <u>209,984</u> | <u>210,963</u> | <u>(1,979)</u> |
| Excess of revenues over expenditures | <u>2,084</u> | <u>4,759</u> | <u>2,675</u> |
| Other Financing Source | | | |
| Proceeds of general fixed assets disposition | 816 | 835 | - |
| Excess of Revenues and Other Financing Source Over Expenditures | <u>\$ 2,900</u> | <u>\$ 5,593</u> | <u>\$ 2,675</u> |

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Fire District No. 10**

December 31, 1999

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Fire District No. 10 (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 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 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.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

Account Groups

The account group is 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 Debt Account Group - This account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 considered "measurable" at the time of levy. Other intergovernmental revenue is recorded as revenue when the District is entitled to the funds. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. 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 39:1383, 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 during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type-General Fund is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budgetary basis and GAAP basis are that:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Operating Budgetary Data

- a) Revenues are recorded when received in cash (budgetary basis) as opposed to when measurable and available (GAAP basis).
- b) Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from the GAAP basis to the budgetary basis for the general fund are as follows:

| | Excess of Revenues and Other Financing Sources Over Expenditures |
|---|--|
| GAAP basis (as reported) | \$123,163 |
| Adjustments: | |
| Revenues: | |
| Taxes | (124,148) |
| Intergovernmental - state revenue sharing | (2,212) |
| Intergovernmental - supplemental pay | (3,336) |
| Miscellaneous - interest | <u>208</u> |
| Total revenue adjustments | <u>(129,488)</u> |
| Expenditures: | |
| Current: | |
| General government | 10,537 |
| Personal services | 3,406 |
| Supplies and materials | 30 |
| Other services and charges | (579) |
| Repairs and maintenance | (990) |
| Capital expenditures | <u>(690)</u> |
| Total expenditure adjustments | <u>11,803</u> |
| Budgetary basis | \$ 111,675 |

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements of the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables 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 District.

g) Investments

Investments consist of certificates of deposit that are stated at cost and approximate market value.

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 works ("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 Governmental 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Vacation and Sick Leave

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

Employees of the District can earn 96 hours or 120 hours of vacation leave, depending on their length of employment. Accumulated vacation leave is due to the employee at the time of termination or death. The vacation policy provides that employees are to take vacation within one year of being earned, with no carryforward provisions.

Employees of the District earn 56 hours sick leave per year and are permitted to accumulate a maximum of 480 hours. Accumulated sick leave is not due to the employee at the time of termination or death.

There is no material accumulated vacation at December 31, 1999.

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) Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

m) 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

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 requires 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 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 | | | Book Balance |
|-------------------------|------------------|-------------|------------------|------------------|
| | Category | | | |
| | 1 | 2 | 3 | |
| Cash | \$ 88,446 | \$ - | \$ - | \$ 88,447 |
| Investments: | | | | |
| Certificates of deposit | <u>100,000</u> | <u>-</u> | <u>607,681</u> | <u>707,681</u> |
| Totals | \$188,446 | \$ - | \$607,681 | \$802,728 |

Note 2 - DEPOSITS (Continued)

At December 31, 1999, cash and certificates of deposit in excess of the FDIC insurance were collateralized with securities held by an unaffiliated bank in the account of the District. 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.

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 revaluation of all property is required to be completed no less than every four years. The last revaluation 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 \$15.00 per \$1,000 of assessed valuation on property within Fire District No. 10 for the purpose of maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes including charges for fire hydrant rentals and service and \$5.00 per \$1,000 of assessed valuation for the payment of principal and interest.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1999 consisted of the following:

| | <u>General</u> <u>Fund</u> | <u>Debt Service</u> <u>Fund</u> |
|---|-------------------------------|------------------------------------|
| State of Louisiana - State revenue sharing | \$ 7,760 | \$ - |
| Terrebonne Parish Tax Collector - December, 1999 collections retained to the District in January, 2000 - Ad valorem taxes | 274,830 | 91,600 |
| Totals | \$282,600 | \$91,600 |

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

| | Balance January 1, 1999 | <i>Additions</i> | Balance December 31, 1999 |
|---|-------------------------------|------------------|---------------------------------|
| Land and buildings | \$ 25,934 | \$ - | \$ 25,934 |
| Trucks | 142,283 | - | 142,283 |
| Machinery and equipment | 33,582 | 10,000 | 33,582 |
| Office furniture, fixtures and Equipment | 2,867 | 1,705 | 4,570 |
| Construction in progress | - | 11,657 | 11,657 |
| Totals | \$198,666 | \$23,380 | \$222,046 |

Construction in progress consists of costs associated with the expansion of the Upper Delargo Fire Station.

The District has assets totaling \$624,434 which are included in the general fixed assets listing of Terrebonne Parish Consolidated Government. The assets are made up of the following:

| | |
|--|------------------|
| Land and building | \$416,935 |
| Automobiles and trucks | 147,793 |
| Machinery and equipment | 89,732 |
| Office furniture, fixtures and equipment | 70,974 |
| Total | \$624,434 |

Note 6 - LONG-TERM DEBT

At December 31, 1999, the District had outstanding general obligation bonds (series 1999) totaling \$800,000 bearing interest of 5.25% which are repayable through March 1, 2014 primarily from ad valorem tax revenues.

The following is a summary of the bond transactions of the District for the year ended December 31, 1999:

| | |
|---|------------------|
| Bonds payable at January 1, 1999 | \$ - |
| Bonds issued | 800,000 |
| Bonds payable at December 31, 1999 | \$800,000 |

Note 6 - LONG-TERM DEBT (Continued)

The annual requirements to amortize all long-term debt outstanding at December 31, 1999 are as follows:

| Year | Principal | Interest | Total |
|-------------|------------------|------------------|--------------------|
| 2000 | \$ 15,000 | \$ 38,340 | \$ 53,340 |
| 2001 | 40,000 | 40,163 | 80,163 |
| 2002 | 40,000 | 38,062 | 78,062 |
| 2003 | 45,000 | 35,831 | 80,831 |
| 2004 | 45,000 | 33,468 | 78,468 |
| 2005 - 2009 | 270,000 | 127,317 | 397,317 |
| 2010 - 2014 | <u>345,000</u> | <u>46,998</u> | <u>391,998</u> |
| Totals | <u>\$800,000</u> | <u>\$355,771</u> | <u>\$1,155,771</u> |

Note 7 - NOTE PAYABLE

In December 1999, the District issued a certificate of indebtedness at South Louisiana Bank in the amount of \$20,000 which bears interest of 6.0% and is payable on March 1, 2000. The principal and interest of the certificate is secured by income and revenues accruing to the District in 1999.

Note 8 - 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 of Louisiana, 2051 Silverdale Drive, Suite 210, Baton Rouge, Louisiana 70808-4136.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy - Plan members are required to contribute 8% of their annual covered payroll and the District is required to contribute at an actuarially determined rate. The current rate is 9% of annual covered payroll. The contribution 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, 1996, 1998 and 1997 were \$4,302, \$4,843 and \$4,625, respectively, equal to the required contributions for each year.

Note 9 - SUPPLEMENTAL PAY

In addition to the compensation paid to Terrebonne Parish Fire District No. 10's (the District) employees who are 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 33:0003, 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 district 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 fire districts 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.

As of December 31, 1999, the District has recognized revenue and expenditures of \$3,356 in salary supplements that the State of Louisiana has paid directly to the District's employees.

Note 10 - 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 group insurance. No settlements were made during the year that exceeded the District's insurance coverage.

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 contract as described below:

| Policy | <u>Coverage Limit</u> |
|-----------------|---------------------------|
| Group Insurance | \$1,125,000 |

Coverage for claims in excess of the above stated limit is to be funded first by assets of the Parish's risk management internal service fund, \$3,000,000 for group insurance as of 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 11 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 1999:

| Board Members | Number of Meetings Attended | Pay Diers |
|-------------------|--------------------------------|------------|
| Roger Dale Dehart | 10 | \$ 360 |
| Terry Gilbert | 11 | 330 |
| Jackie Higgins | 11 | 330 |
| Melvin MulBrough | 11 | 330 |
| Don Polanco | 12 | <u>360</u> |
| Total | | \$3,690 |

Note 12 - LITIGATION

The District is a defendant in two lawsuits, which are covered by the District's insurance carrier. While it is not feasible to predict or determine the outcome of these matters, it is the opinion of management that the ultimate outcome will not have a material adverse effect on the financial position of the District. Accordingly, no obligation for the lawsuits has been recognized by the District in the financial statements.

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,
Terrebonne Parish Fire District No. 10,
Thibodaux, Louisiana.

Our report on our audit of the general-purpose financial statements of Terrebonne Parish Fire District No. 10 (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 Terrebonne Parish Fire District No. 10 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.,
May 15, 2000.

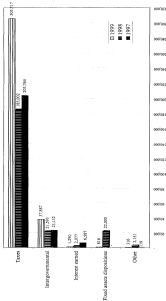
SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND**Terrebonne Parish Fire Protection District No. 10**

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

| | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|----------------------------|-------------------|-------------------|-------------------|
| Revenues | | | |
| Taxes | \$ 305,717 | \$ 185,002 | \$ 205,764 |
| Intergovernmental | 37,887 | 21,595 | 25,132 |
| Interest earned | 1,280 | 2,077 | 6,587 |
| Fixed assets dispositions | 816 | 22,000 | - |
| Other | 316 | 3,151 | 119 |
| | <u>\$ 346,016</u> | <u>\$ 233,825</u> | <u>\$ 235,602</u> |
| Expenditures | | | |
| General government | \$ 16,971 | \$ 6,434 | \$ 11,403 |
| Personal services | 136,923 | 128,856 | 99,513 |
| Supplies and materials | 1,517 | 2,848 | 1,999 |
| Other services and charges | 30,587 | 44,190 | 39,534 |
| Repairs and maintenance | 25,740 | 71,171 | 74,150 |
| Capital expenditures | 11,125 | 4,930 | 130,724 |
| | <u>\$ 223,863</u> | <u>\$ 258,429</u> | <u>\$ 357,323</u> |

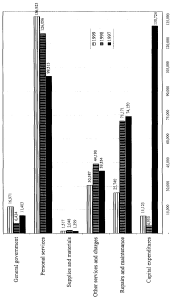
REVENUES - GENERAL FUND**Terrebonne Parish Fire District No. 10**

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



EXPENDITURES - GENERAL FUND**Terrebonne Parish Fire District No. 10**

For the years ended December 31, 1995, 1996 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,
Terrebonne Parish Fire District No. 10,
Thibodaux, Louisiana.

We have audited the general-purpose financial statements of Terrebonne Parish Fire District No. 10 (the District), a component unit of Terrebonne Parish Consolidated Government, 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 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

as 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.,
May 15, 2009.

SCHEDULE OF FINDINGS

Terrebonne Parish Fire District No. 10

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

Terrebonne Parish Fire District No. 10 did not receive federal awards in excess of \$300,000 during the year ended December 31, 1999 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

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

Terrebonne Parish Fire District No. 10

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

Terrebonne Parish Fire District No. 10 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

Terrebonne Parish Fire District No. 10

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

Terrebonne Parish Fire District No. 10 did not receive federal awards in excess of \$100,000 during the year ended December 31, 1999 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

Section III Management Letter

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