



Financial Report

Terrebonne Parish Fire District No. 10

Theriot, Louisiana

For the year ended December 31, 2008

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 1/29/09

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For the year ended December 31, 2008

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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 financial statements of the governmental activities and each major fund of Terrebonne Parish Fire District No. 10 (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Terrebonne Parish Fire District No. 10 as of December 31, 2008, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated May 22, 2009 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 22, 2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Fire District No. 10

The Management's Discussion and Analysis of the Terrebonne Parish Fire District No. 10's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2008. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal year 2008 by \$975,680 (net assets), which represents a 21.49% decrease from last year.

The District issued general obligation bonds in the amount of \$900,000 bearing interest at 3.85% repayable through March 1, 2023.

The District's revenues increased \$509,966 (or 72.18%) primarily due to FEMA and insurance reimbursements and an increase in property taxes.

The District's expenses increased \$804,162 (or 118.38%) due to losses incurred during the storm and increased expenses during recovery efforts.

The District did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements (3) and various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the District:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activity of the District is public safety which is comprised of various programs that include maintenance and operation of fire protection facilities and the prevention and extinguishment of fires.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the District are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund and Capital Project Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 9-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provide in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. As of December 31, 2008, assets exceeded liabilities by \$975,680. A large portion of the District's net assets (30.40%) reflects its capital assets (e.g., land; buildings and improvements; office furniture, fixtures and equipment; trucks, machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Assets

	December 31,		Dollar Change
	2008	2007	
Current and other assets	\$ 2,843,079	\$ 1,252,906	\$ 1,590,173
Capital assets	1,343,211	1,267,330	75,881
Total assets	<u>4,186,290</u>	<u>2,520,236</u>	<u>1,666,054</u>
Current and other liabilities	1,905,610	817,547	1,088,063
Long-term liabilities	1,305,000	460,000	845,000
Total liabilities	<u>3,210,610</u>	<u>1,277,547</u>	<u>1,933,063</u>
Net Assets:			
Invested in capital assets, net of related debt	296,581	812,145	(515,564)
Restricted	27,633	131,690	(104,057)
Unrestricted	651,466	298,854	352,612
Total net assets	<u>\$ 975,680</u>	<u>\$ 1,242,689</u>	<u>\$ (267,009)</u>

The increase in current and other assets is due to reimbursements from FEMA, insurance and the proceeds from the bonds sale that have not been spent. The capital asset account increased due to the purchase of two fire trucks, but decreased as many assets were destroyed and disposed following Hurricanes Gustav and Ike. The current and other liabilities increased due to bills payable to vendors for the fire trucks and increased unearned revenues for property taxes. Long-term liabilities increased with the issuance of bonds.

Governmental Activities

Governmental activities decreased the District's net assets by \$267,009. Key elements of this increase are as follows:

Condensed Changes in Net Assets

	December 31,		Dollar Change	Total Percent Change
	2008	2007		
Revenues:				
General Revenues:				
Taxes	\$ 708,065	\$ 607,800	\$ 100,265	16.50%
Intergovernmental	275,790	58,080	217,710	374.85%
Miscellaneous	232,595	40,604	191,991	472.84%
Total revenues	<u>1,216,450</u>	<u>706,484</u>	<u>509,966</u>	72.18%
Expenses:				
General Government	26,139	48,469	(22,330)	-46.07%
Public Safety	1,414,347	604,310	810,037	134.04%
Debt Service	42,973	26,518	16,455	62.05%
Total expenses	<u>1,483,459</u>	<u>679,297</u>	<u>804,162</u>	118.38%
Increase in net assets	(267,009)	27,187	(294,196)	-1082.12%
Net assets beginning of year	1,242,689	1,215,502	27,187	2.24%
Net assets end of year	<u>\$ 975,680</u>	<u>\$ 1,242,689</u>	<u>\$ (267,009)</u>	-21.49%

Increases in taxes were due to increased property values in the District. Miscellaneous revenues increased due to insurance reimbursements from property damages during the two hurricanes previously mentioned. Intergovernmental revenues are elevated due to anticipated reimbursements from FEMA for work performed before, during, and after the hurricanes and property damages not covered by insurance. Public safety expenses increased due to the property losses from the hurricanes and increased manpower needed during the hurricanes. Debt service increased as the District incurred costs to issue bonds in 2008 and accrued interest.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$933,568, an increase of \$502,055 in comparison with the prior year. An unreserved fund balance of \$621,554 is available for spending at the District's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to prepaid insurance, capital projects and debt service.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$621,554 while total fund balance reached \$650,416. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the District's General Fund increased by \$358,643 during the current fiscal year. The key factors of this increase were FEMA and insurance reimbursements.

The Debt Service Fund has a total fund balance of \$71,562. The decrease in fund balance of \$68,178 was due to the payment on bonds.

A Capital Projects Fund was opened up in 2008 and has a fund balance of \$211,590. This increase is due to the proceeds from the bonds issued in 2008.

General Fund Budgetary Highlights

The budget was amended one time during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues and Other Financing Sources

- Increase in the amount of ad valorem taxes by \$159,100 to reflect the amount of taxes that were recognized as revenues.
- Increase the insurance proceeds by \$187,000.

Expenditures

- Public safety expenditures increased by \$54,290 because of personnel and repairs needed during and after the hurricanes.

During the year, revenues and expenditures exceeded budgetary estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets for its governmental activities as of December 31, 2008, amounts to \$1,343,211 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, office furniture, fixtures and equipment; and trucks, machinery and equipment (see table below).

	<u>2008</u>	<u>2007</u>
Land	\$ 22,000	\$ 22,000
Buildings and improvements	287,281	999,385
Office furniture, fixtures and equipment	5,872	9,196
Trucks, machinery and equipment	<u>1,573,036</u>	<u>1,097,328</u>
Totals	<u>\$ 1,888,189</u>	<u>\$ 2,127,909</u>

Major capital asset events during the current fiscal year included the following:

- Deletion of assets with costs of \$1,013,370 due to hurricane damages
- Purchase of one pickup truck, one pumper truck and one rescue truck
- Purchases of new bunker gear
- Improvements to the roof and walls of one fire station

Additional information on the District's capital assets can be found in the Note 5, Exhibit F of this report.

Long-term Debt

At December 31, 2008, the District had \$1,305,000 in long-term debt. This includes Series 1999 general obligation bonds that were paid down from prior year's balance of \$460,000 by a \$55,000 principal payment to \$405,000. Long term debt also increased due to \$900,000 of Series 2008 general obligation bonds issued this year. More detailed information about the District's long-term debt is presented in Note 8, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Ad valorem tax revenue budgeted represents the estimated amount of the November 2008 assessment, which the District will receive, for the most part, in January 2009.
- The District is expecting assistance with the construction of a new fire station through FEMA reimbursements.
- Salaries and benefits are based on the continued employment of seven full time firemen and one administrator and the related benefits, plus a 11.25% across the board increase for all employees effective in January 2008.
- Insurance, supplies, utilities and professional fees are expected to have the highest increases in costs and have been budgeted as such.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Fire District No. 10, 1038 Falgout Canal Road, Theriot, Louisiana 70363.

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET**Terrebonne Parish Fire District No. 10**

December 31, 2008

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Exhibit B)	Statement of Net Assets
Assets						
Cash	\$ 384,274	\$ 6,185	\$ 105,488	\$ 495,947		\$ 495,947
Investments	100,000	90,000	700,000	890,000		890,000
Receivables						
Taxes	179,326	31,187	-	210,513		210,513
Other	12,695	-	-	12,695	\$ 1,050	13,745
Due from other governmental units	1,036,673	138,151	-	1,174,824	-	1,174,824
Due from other funds	-	1,788	-	1,788	(1,788)	-
Prepaid insurance	28,862	-	-	28,862	-	28,862
Deferred bond issuance costs	-	-	-	-	29,188	29,188
Capital assets:						
Non-depreciable	-	-	-	-	22,000	22,000
Depreciable, net of accumulated depreciation	-	-	-	-	1,321,211	1,321,211
Total assets	\$ 1,741,830	\$ 267,311	\$ 805,488	\$ 2,814,629	1,371,661	4,186,290
Liabilities						
Accounts payables and accrued expenditures	\$ 100,516	\$ 26,915	\$ 593,898	\$ 721,329	26,337	747,666
Due to other funds	1,788	-	-	1,788	(1,788)	-
Unearned revenue	989,110	168,834	-	1,157,944	-	1,157,944
Long-term liabilities -						
Due within one year	-	-	-	-	90,000	90,000
Due after one year	-	-	-	-	1,215,000	1,215,000
Total liabilities	1,091,414	195,749	593,898	1,881,061	1,329,549	3,210,610
Fund Balances/Net Assets						
Fund balances:						
Reserved:						
Debt service	-	71,562	-	71,562	(71,562)	-
Capital Projects	-	-	211,590	211,590	-	-
Prepays and Deposits	28,862	-	-	28,862	(28,862)	-
Unreserved - undesignated	621,554	-	-	621,554	(621,554)	-
Total fund balances	650,416	71,562	211,590	933,568	(721,978)	-
Total liabilities and fund balances	\$ 1,741,830	\$ 267,311	\$ 805,488	\$ 2,814,629		
Net assets:						
Invested in capital assets, net of related debt					296,581	296,581
Restricted:						
Debt service					27,633	27,633
Unrestricted					651,466	651,466
Total net assets					\$ 975,680	\$ 975,680

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

Terrebonne Parish Fire District No. 10

December 31, 2008

Fund Balances - Governmental Fund		\$ 933,568
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 1,888,189	
Less accumulated depreciation	<u>(544,978)</u>	1,343,211
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Accrued interest receivable	1,050	
Deferred bond issuance costs	30,416	
Less current year amortization	<u>(1,228)</u>	30,238
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Governmental bonds payable	(1,305,000)	
Accrued interest payable	<u>(26,337)</u>	<u>(1,331,337)</u>
Net Assets of Governmental Activities		\$ <u>975,680</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2008

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Exhibit D)	Statement of Activities
Revenues						
Taxes	\$ 708,065			\$ 708,065		\$ 708,065
Intergovernmental:						
State of Louisiana:						
FEMA	223,993			223,993		223,993
Volunteer Fire Assistance Grant	9,600			9,600		9,600
State revenue sharing	13,605			13,605		13,605
Fire insurance tax	13,292			13,292		13,292
Supplemental pay	15,300			15,300		15,300
Miscellaneous:						
Insurance proceeds	-			-	\$ 199,553	199,553
Interest	12,658	\$ 10,280	\$ 8,360	31,298	(6,032)	25,266
Other	7,776	-	-	7,776	-	7,776
Total revenues	<u>1,064,289</u>	<u>10,280</u>	<u>8,360</u>	<u>1,022,929</u>	<u>193,521</u>	<u>1,216,450</u>
Expenditures/Expenses						
Current						
General Government:						
Ad valorem tax adjustment	1,370	-	-	1,370	-	1,370
Ad valorem tax deductions	24,769	-	-	24,769	-	24,769
Total general government	<u>26,139</u>	<u>-</u>	<u>-</u>	<u>26,139</u>	<u>-</u>	<u>26,139</u>
Public Safety:						
Personal services	449,076	-	-	449,076	-	449,076
Supplies and materials	8,591	-	-	8,591	-	8,591
Other services and charges	100,694	-	350	101,044	-	101,044
Repairs and maintenance	157,867	-	-	157,867	-	157,867
Hurricane losses	-	-	-	-	606,894	606,894
Depreciation	-	-	-	-	90,875	90,875
Total public safety	<u>716,228</u>	<u>-</u>	<u>350</u>	<u>716,578</u>	<u>697,769</u>	<u>1,414,347</u>
Debt Service:						
Principal retirement	-	55,000	-	55,000	(55,000)	-
Interest and fiscal charges	-	23,458	-	23,458	19,515	42,973
Bond issuance costs	-	-	25,602	25,602	(25,602)	-
Total debt service	<u>-</u>	<u>78,458</u>	<u>25,602</u>	<u>104,060</u>	<u>(61,087)</u>	<u>42,973</u>
Capital Outlay	102,832	-	670,818	773,650	(773,650)	-
Total expenditures/expenses	<u>845,199</u>	<u>78,458</u>	<u>696,770</u>	<u>1,620,427</u>	<u>(136,968)</u>	<u>1,483,459</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>159,090</u>	<u>(68,178)</u>	<u>(688,410)</u>	<u>(597,498)</u>	<u>330,489</u>	<u>(267,009)</u>
Other Financing Sources						
Insurance proceeds	199,553	-	-	199,553	(199,553)	-
General obligation bond proceeds	-	-	900,000	900,000	(900,000)	-
Total other financing sources	<u>199,553</u>	<u>-</u>	<u>900,000</u>	<u>1,099,553</u>	<u>(1,099,553)</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Financing Source over Expenditures	<u>358,643</u>	<u>(68,178)</u>	<u>211,590</u>	<u>502,055</u>	<u>(502,055)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(267,009)</u>	<u>(267,009)</u>
Fund Balances/Net Assets						
Beginning of year	291,773	139,740	-	431,513	811,176	1,242,689
End of year	\$ 650,416	\$ 71,562	\$ 211,590	\$ 933,568	\$ 42,112	\$ 975,680

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2008

Net Change in Fund Balances - Governmental Funds		\$ 502,055
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
<i>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</i>		
Capital outlay	\$ 773,650	
Depreciation expense	(90,875)	
Loss on disposal of assets	<u>(606,894)</u>	75,881
<i>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.</i>		
Principal payments	55,000	
General obligation bonds issued	<u>(900,000)</u>	(845,000)
<i>Some expenditures and other financing uses are reported in the governmental fund which do not affect net assets</i>		
Bond issuance costs		25,602
<i>Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds.</i>		
Decrease in interest revenue		(6,032)
<i>Some expenditures reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</i>		
Amortization of deferred bond issuance costs	(1,228)	
Increase in accrued interest payable	<u>(18,287)</u>	<u>(19,515)</u>
Change in Net Assets of Governmental Activities		<u>\$ (267,009)</u>

See notes to financial statements.

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

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 525,000	\$ 684,100	\$ 708,065	\$ 23,965
Intergovernmental:				
State of Louisiana:				
FEMA	-	-	223,993	223,993
Volunteer Fire Assistance Grant	-	-	9,600	9,600
State revenue sharing	13,000	13,600	13,605	5
Fire insurance tax	13,000	13,300	13,292	(8)
Supplemental pay	-	-	15,300	15,300
Miscellaneous:				
Interest	15,000	12,500	12,658	158
Other	-	17,300	7,776	(9,524)
Total revenues	<u>566,000</u>	<u>740,800</u>	<u>1,004,289</u>	<u>263,489</u>
Expenditures				
Current				
General Government:				
Ad valorem tax adjustment	-	-	1,370	(1,370)
Ad valorem tax deductions	-	-	24,769	(24,769)
Total general government	<u>-</u>	<u>-</u>	<u>26,139</u>	<u>(26,139)</u>
Public Safety:				
Personal services	351,800	408,200	449,076	(40,876)
Supplies and materials	7,000	7,700	8,591	(891)
Other services and charges	77,120	114,220	100,694	13,526
Repairs and maintenance	65,000	147,000	157,867	(10,867)
Total public safety	<u>500,920</u>	<u>677,120</u>	<u>716,228</u>	<u>(39,108)</u>
Capital Outlay	<u>55,000</u>	<u>46,200</u>	<u>102,832</u>	<u>(56,632)</u>
Total expenditures	<u>555,920</u>	<u>723,320</u>	<u>845,199</u>	<u>(121,879)</u>
Excess of Revenues Over Expenditures	10,080	17,480	159,090	141,610
Other Financing Sources				
Insurance proceeds	<u>-</u>	<u>187,000</u>	<u>199,553</u>	<u>12,553</u>
Net Change in Fund Balances	10,080	204,480	358,643	154,163
Fund Balance				
Beginning of year	<u>371,920</u>	<u>291,773</u>	<u>291,773</u>	<u>-</u>
End of year	<u>\$ 382,000</u>	<u>\$ 496,253</u>	<u>\$ 650,416</u>	<u>\$ 154,163</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Fire District No. 10

December 31, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Fire District No. 10 (the District) conform to accounting principles generally accepted in the United States of America (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, 2008.

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) Basis of Presentation

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements (individual major funds).

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (continued)

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on the major funds in governmental categories.

The daily accounts and operations of the District continue to be organized on the basis of funds and accounts groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise their assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. 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 and is report as a major fund.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction and renovation of major capital facilities and is reported as a major fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenue) are recorded as revenue in the period for which levied. Thus, the 2008 property taxes which are being levied to finance the 2009 budget will be recognized as revenue in 2009. The 2008 tax levy is recorded as unearned revenue in the District's 2008 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 or available 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. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget one time during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America

The General Fund budget presentation is included in the financial statements.

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 funds.

g) Investments

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

h) Prepaid Insurance

The District has chosen to record prepaid insurance in its governmental fund.

i) Deferred Bond Issuance Costs

The District has recorded deferred bond issuance costs in its government-wide financial statements. Deferred bond issuance costs are amortized over the term of the related debt using the interest method.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	7 - 40 years
Trucks	5 - 15 years
Machinery and equipment	5 - 25 years
Office furniture, fixtures and equipment	5 - 12 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

k) Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Long-Term Debt (continued)

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

l) 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 receive 24 vacation days after the first year of service with the District. Accumulated vacation leave is due to the employee at the time of termination or death. No more than 30 days of vacation may be carried over from one year to the next.

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, 2008.

m) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Fund Equity (continued)

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designations of fund balance represent tentative management plans subject to change.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-a) commercial paper of domestic corporations.

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amount	
Cash	\$ 526,812	\$ 495,947	
Investments:			
Certificates of Deposit	890,000	890,000	
Totals	\$ 1,416,812	\$ 1,385,947	

Note 2 - DEPOSITS (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2008, \$907,011 of the District's bank balance of \$1,416,812 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

At December 31, 2008, cash and certificates of deposit were adequately collateralized by securities held by unaffiliated banks for 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 subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, 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 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, 2005. 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, 2008 was \$23.00 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 services, and \$4 per \$1,000 of assessed valuation for the payment of debt and interest. As indicated in Note 1c), taxes levied November 1, 2008 are for budgeted expenditures in 2009 and will be recognized as revenues in 2009.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2008 consisted of the following:

	General Fund	Debt Service Fund	Total
Federal			
FEMA reimbursements	\$ 223,993		\$ 223,993
State of Louisiana:			
State revenue sharing	12,208		12,208
Terrebonne Parish Tax Collector - December, 2008 collections remitted to the District in January, 2009:			
Ad valorem taxes	794,368	\$ 138,151	932,519
State revenue sharing	6,104	-	6,104
Totals	\$ 1,036,673	\$ 138,151	\$ 1,174,824

Note 5 - CHANGES IN FIXED ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
Capital assets not being depreciated:				
Land	\$ 22,000			\$ 22,000
Capital assets being depreciated:				
Buildings and improvements	999,385	\$ 66,834	\$ (778,938)	287,281
Trucks	707,344	620,958	(159,663)	1,168,639
Machinery and equipment	389,984	85,858	(71,445)	404,397
Office furniture, fixtures and equipment	9,196	-	(3,324)	5,872
Total capital assets being depreciated	<u>2,105,909</u>	<u>773,650</u>	<u>(1,013,370)</u>	<u>1,866,189</u>
Less accumulated depreciation for:				
Buildings and improvements	(314,647)	(13,997)	255,009	(73,635)
Trucks	(401,668)	(41,776)	126,663	(316,781)
Machinery and equipment	(136,526)	(34,658)	21,658	(149,526)
Office furniture, fixtures and equipment	(7,738)	(444)	3,146	(5,036)
Total accumulated depreciation	<u>(860,579)</u>	<u>(90,875)</u>	<u>406,476</u>	<u>(544,978)</u>
Total capital assets being depreciated, net	<u>1,245,330</u>	<u>682,775</u>	<u>(606,894)</u>	<u>1,321,211</u>
Total capital assets, net	<u>\$ 1,267,330</u>	<u>\$ 682,775</u>	<u>\$ (606,894)</u>	<u>\$ 1,343,211</u>

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenditures at December 31, 2008 consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Governmental activities:				
Protest taxes	\$ 72,895	\$ 26,915		\$ 99,810
Salaries and benefits	2,691	-		2,691
Vendors	24,930	-	\$ 593,898	618,828
Total governmental activities	100,516	26,915	593,898	721,329
Accrued interest on long-term debt	-	26,337	-	26,337
Totals	\$ 100,516	\$ 53,252	\$ 593,898	\$ 747,666

Note 7 - DUE TO/FROM OTHER FUNDS

Due to/from other funds are listed by fund for the year ended December 31, 2008:

	Receivable Fund	Payable Fund
General Fund		\$ 1,788
Debt Service Fund	\$ 1,788	-

The balances above resulted from the revenues from Ad Valorem taxes not being deposited from the General Fund into the Debt Service Fund in a timely manner.

Note 8 - LONG-TERM DEBT

At December 31, 2008, the District had outstanding general obligation bonds (series 1999 and 2008) totaling \$1,305,000 with \$405,000 bearing interest of 5.25% which are repayable through March 1, 2014 and \$900,000 bearing interest of 3.85% which are payable through March 1, 2023. Both are payable primarily from ad valorem tax revenues.

Note 8- LONG-TERM DEBT (Continued)

The following is a summary of the bond transactions of the District for the year ended December 31, 2008:

	Payable January 1, 2008	Obligations Retired	New Issues	Payable December 31, 2008	Due Within One year
General obligation bonds Series 1999	\$ 460,000	\$ 55,000		\$ 405,000	\$ 60,000
General obligation bonds Series 2008	-	-	\$ 900,000	900,000	30,000
Total	\$ 460,000	\$ 55,000	\$ 900,000	\$ 1,305,000	\$ 90,000

The annual requirements to amortize all long-term debt outstanding at December 31, 2008 are as follows:

Year	Principal	Interest	Total
2009	\$ 90,000	\$ 65,310	\$ 155,310
2010	110,000	49,035	159,035
2011	110,000	43,890	153,890
2012	120,000	38,517	158,517
2013	120,000	32,918	152,918
2014-2018	375,000	105,149	480,149
2019-2023	380,000	38,115	418,115
Totals	\$ 1,305,000	\$ 372,934	\$ 1,677,934

Note 9 - 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

Note 9 - DEFINED BENEFIT PENSION PLAN (Continued)

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 Silverside Drive, Suite 210, Baton Rouge, Louisiana 70808-4136.

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. For the year ended December 31, 2008 the rate the district paid ranged from 13.75-12.50% for 2008. 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, 2008, 2007 and 2006 were \$32,023, \$30,844, and \$28,050, respectively, equal to the required contributions for each year.

Note 10 - SUPPLEMENTAL PAY

In addition to the compensation paid by Terrebonne Parish Fire District No. 10, 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 33:2003, any full-time, regular employee of the parish fire protection district who is hired after March 31, 1986, who has passed a certified firemen'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 firemen'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, 2008, the District has recognized revenue and expenditures of \$15,300 in salary supplements that the State of Louisiana has paid directly to the District's employees.

Note 11 - 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 premiums for auto liability are paid to the Parish for reimbursement of commercial carrier premiums. The Parish handles all claims filed against the District. The Parish is self-insured for the first \$125,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2007 was \$12,648,033. Insurance contracts cover the excess liability, up to \$1,000,000 on individual claims. Each covered employee is subject to a lifetime maximum claims limit of \$1,000,000. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, \$3,997,686 at December 31, 2007, then secondly by the District and finally by the employee for individual claims in excess of \$1,000,000. At December 31, 2008 the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverage during the year ended December 31, 2008 totaled \$39,127.

Note 12 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to Board Members for the year ended December 31, 2008:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Terry Hebert	11	\$ 330
Shirley Liner	12	360
Melvin Malbrough	10	300
Burt Poiencot	13	390
Keith Poiencot	12	<u>360</u>
Total		<u>\$1,740</u>

Note 13 - CONTINGENCIES

In September 2008, Hurricanes Gustav and Ike struck south Louisiana. The District has incurred significant damage from these weather events and was forced to condemn one fire station and dispose of numerous assets, which are reported as hurricane losses in the amount of \$606,894. The District is applying for FEMA grants for the construction of a new station and equipment at a safer locale. At the present time management has not determined the cost of repair and recovery efforts. However, management believes, if the FEMA grants are approved, hurricane relief and recovery efforts will not have a material impact on the District's operations.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Terrebonne Parish Fire District No. 10 (the District) as of and for the year ended December 31, 2008, which collectively comprise District's financial statements and have issued our report thereon dated May 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over Financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards, which is described in the Schedule of Findings and Responses as item 08-1.

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, the Legislative Auditor for the State of Louisiana and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 22, 2009.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2008

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 no
- Significant deficiency(ies) identified that are not
 considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

b) Federal Awards

Terrebonne Parish Fire District No. 10 did not expend federal awards in excess of \$500,000 during the year ended December 31, 2008.

Section II Financial Statement Findings

08-1 Criteria – Louisiana Revised Statute 39:1304-1314 requires the administrative officer to advise the governing authority or independently elected official when actual revenues are less than budgeted revenues by five percent or more, actual expenditures exceed budgeted expenditures by five percent or more, or actual beginning fund balance is less than budgeted fund balance by five percent or more.

Condition – Expenditures for the General Fund exceeded final budgeted expenditures by 16.85%

Context – This has not been a problem in the past and was necessitated by purchases made late in the fiscal year.

Effect – The District was not in compliance with state budget laws.

SCHEDULE OF FINDINGS AND RESPONSES
(Continued)

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2008

Section II Financial Statement Findings (continued)

08-1 (continued)

Cause – The District made large capital purchases after the final budget was adopted.

Recommendation – We recommend that the District comply with state budget laws by amending its budget to ensure actual expenditures and other uses are not more than budgeted expenditures and other uses by five percent or more.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2008

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2007.
No reportable conditions were reported during the audit for the year ended December 31, 2007.

Compliance

07-1 Recommendation – We recommend that the District comply with state bid laws by placing the proper advertisements in the local journal for all equipment purchases.

Management's Response – The Fire Chief, who brought the purchase before the board, was unaware of the requirement to advertise for bids for supply purchases exceeding \$20,000. Resolved.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Fire District No. 10 did not expend federal awards during the year ended December 31, 2007.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2007.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Fire District No. 10

For the year ended December 31, 2008

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2008. No significant deficiencies were reported during the audit for the year ended December 31, 2008.

Compliance

08-1 Recommendation - We recommend that the District comply with state budget laws by amending its budget to ensure actual expenditures and other uses are not more than budgeted expenditures and other uses by five percent or more.

Management's Response - The Board will make every attempt to insure that the District's expenditures do not exceed the budgeted amount by more than the allotted percentage.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Fire District No. 10 did not expend federal awards in excess of \$500,000 during the year ended December 31, 2008 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, 2008.