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Financial Report
Lafourche Parish Communications District
Raceland, Louisiana
December 31, 1997

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Release Date 12/11/98

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Communications District,
Raceland, Louisiana.

We have audited the accompanying general purpose financial statements of the Lafourche Parish Communications District (the District), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended December 31, 1997, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafourche Parish Communications District as of December 31, 1997, 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 January 15, 1998 on our consideration of the Lafourche Parish Communications District'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

Thibodaux, La.,
January 15, 1998

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

Lafourche Parish Communications District

December 31, 1997

	<u>Governmental Fund Type</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
	<u>General</u>		
Assets			
Cash	\$ 82,738	\$ -	\$ 82,738
Investments	266,066	-	266,066
Receivables	33,787	-	33,787
Fixed assets	-	222,420	222,420
Total assets	\$ 382,589	\$ 222,420	\$ 605,009
Liabilities			
Accounts payable and accrued expenditures	\$ 12,154		\$ 12,154
Equity and Other Credits			
Investment in general fixed assets		\$ 222,420	222,420
Fund balances - unreserved:			
Designated for subsequent year's expenditures	245,888		245,888
Undesignated	121,435		121,435
Total fund balance	370,435		370,435
Total equity and other credits	370,435	222,420	592,855
Total liabilities, equity and other credits	\$ 382,589	\$ 222,420	\$ 605,009

See notes to financial statements.

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

Lafayette Parish Communications District

For the year ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 283,500	\$ 298,923	\$ 15,423
Miscellaneous:			
Income	7,600	12,182	4,582
Other	-	112	112
	<u>291,100</u>	<u>311,217</u>	<u>20,117</u>
Total revenues			
	<u>291,100</u>	<u>311,217</u>	<u>20,117</u>
Expenditures			
Current:			
Public safety:			
Personal services	101,800	103,393	(1,593)
Materials and supplies	4,500	3,967	533
Other services and charges	124,900	127,873	(2,973)
Repairs and maintenance	14,283	11,796	2,487
Capital expenditures	15,800	13,448	2,352
	<u>266,283</u>	<u>260,477</u>	<u>6,806</u>
Total expenditures			
	<u>266,283</u>	<u>260,477</u>	<u>6,806</u>
Excess of Revenues Over Expenditures	<u>\$ 24,817</u>	49,392	<u>\$ 24,575</u>
Fund Balance			
Beginning of year		<u>170,843</u>	
End of year		<u>\$ 220,235</u>	

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Communications District**

December 31, 1997

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Lafourche Parish Communications District (the District) conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District was formed by an Act of the State Legislature on July 14, 1983. A board was approved and became effective on October 5, 1989.

The District is a component unit of the Lafourche Parish Council. The District has reviewed all of its activities and determined that there are no potential component units which should be included in the financial statements.

b) Fund Accounting

The government 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 is the Governmental Fund of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Account Group

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds.

c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District or intermediary collecting agency because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the accumulated unpaid vacation, sick pay and other employee amounts which are not accrued.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Estimates

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

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 29:1503, the District's Board of Commissioners (the Board) adopted a budget for the General Fund. The public hearings and advertisements, which are required by State Law, were conducted. Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level 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 General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

f) Bad Debts

The financial statements of the District contain no allowance for bad debts. Uncollectible 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 operation of the General Fund.

g) Investments

Investments are stated at cost, which approximates market.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Fixed Assets (Continued)

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounted to \$20,000 or 8% of the total General Fixed Asset Account Group.

i) Accumulated Vacation and Sick Leave

Vacation and sick leave are determined by length of service for full-time employees as follows:

1 - 3 years	1 week vacation and 1 week sick leave
3 - 9 years	2 weeks vacation and 2 weeks sick leave
10 years or more	3 weeks vacation and 3 weeks sick leave

Vacation and sick leave must be used by their anniversary date. Vacation is paid to employees upon termination of employment; sick leave is not paid. There is no material accumulated balance of unpaid leave as of December 31, 1997.

j) Encumbrances

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

k) Fund Equity

The designated fund balance represents tentative plans for future use of financial resources that are subject to change.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D Memorandum Only - Total Column

The total column on the general purpose financial statement is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS

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 investments.

Bank Deposits:

State law requires deposits (cash and certificates of deposits) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes the 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.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent, in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured or uncollateralized.

Note 2 - DEPOSITS (Continued)

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

	Bank Balances			Book Balance
	Category			
	1	2	3	
Cash	\$ 84,363	\$ -	\$ -	\$ 84,736
Certificates of deposit	<u>281,676</u>	<u>-</u>	<u>4,391</u>	<u>286,066</u>
Totals	<u>\$366,041</u>	<u>\$-</u>	<u>\$4,391</u>	<u>\$370,432</u>

At December 31, 1997, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by affiliated banks for the account of the depositor. 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 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January <u>1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance December <u>31, 1997</u>
Equipment	\$200,775	\$11,570	\$2,346	\$209,999
Office furniture and equipment	<u>10,652</u>	<u>1,878</u>	<u>131</u>	<u>12,421</u>
Totals	<u>\$211,427</u>	<u>\$13,448</u>	<u>\$2,477</u>	<u>\$222,420</u>

Note 4 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to members of the Board of Commissioners for the year ended December 31, 1997.

Note 5 - CENTRAL FIRE STATION LEASE

The lease signed on September 13, 1993 with Lafourche Parish Fire Protection District No. 1 which allows the District use of office space in the Central Fire Station is automatically renewed indefinitely with each party having the option to terminate at any time. The lease was in effect for 1997 and the rental expense for 1997 was \$10,800.

Note 6 - CONTINGENT LIABILITIES

A legal action has been filed against the District for the wrongful death of a small child. The case is in preliminary stages and it is not possible at this time to determine what liabilities, if any, the District might be responsible for. The Lafourche Parish Sheriff's Office was operating the system at the time of the alleged incident and it is not known what if any liabilities, they would have. If it is determined that the District is liable in some respect, it may be covered by its liability insurance. Accordingly, no provision for any liability that may arise from the litigation has been made in the accompanying financial statements.

SPECIAL REPORT 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,
Lafourche Parish Communications District,
Raceland, Louisiana.

We have audited the general purpose financial statements of the Lafourche Parish Communications District (the District), a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 1997, and have issued our report thereon dated January 15, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements

in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, LLC

Certified Public Accountants

Thibodaux, La.,
January 15, 1998.



Bourgeois Benness

COMMUNICATION WITH BOARD OF COMMISSIONERS

To the Board of Commissioners,
Lafourche Parish Communications District,
Raceland, Louisiana.

In fulfilling our responsibility as Lafourche Parish Communications District auditors for the year ended December 31, 1997, we are required to communicate to the Board of Commissioners certain matters related to the conduct of our audit.

1) AUDITORS RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

Our audit was conducted 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 which require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

As required, a separate letter has been issued on internal control over financial reporting and compliance with laws and regulations.

2) SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted nor required to be adopted for the year ended December 31, 1997.

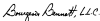
3) MANAGEMENT JUDGEMENTS AND ACCOUNTING ESTIMATES

The most significant estimates reflected in the financial statements relate to the collectibility of accounts receivable, valuation of accounts payable, and claims and judgments incurred. Management has provided us with representations concerning these matters.

4) SIGNIFICANT AUDIT ADJUSTMENTS

We did not initiate any significant audit adjustments during our recent audit. Your audit adjustments and closing entries were prepared.

This information is intended solely for the use of the Board of Commissioners and management of Lafourche Parish Communications District and should not be used for any other purpose.



Certified Public Accountants.

Thibodaux, La.,
January 15, 1998.