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Release Date 9-4-96

TWIN PARISH PORT COMMISSION  
DELCAMBRE, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED  
DECEMBER 31, 1995 AND 1994

~~PARISH CLERK OF COURT~~

LSA-RS 24:516 provides that this report shall be available for public inspection for a period of not less than one year from the date of receipt.

Legislative Auditor

TWIN PARISH PORT COMMISSION  
DELCAMBRE, LOUISIANA

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 1995 AND FOR THE YEARS  
ENDED DECEMBER 31, 1995 AND 1994

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**LANGLINAIS**

**&**

**BROUSSARD**

(A Corporation of Certified Public Accountants)

**Glen P. Langlinais, C.P.A.**  
**Michael P. Broussard, C.P.A.**

**Gayle F. Bordelon, C.P.A.**  
**Douglas J. Touchet, C.P.A.**

REPORT ON INTERNAL CONTROL STRUCTURE & COMPLIANCE  
WITH LAWS AND REGULATIONS

Mr. Noicy Langlinais, President  
And Board of Commissioners  
Twin Parish Port Commission  
P.O. Box 101  
Delcambre, LA 70528-0101

INTERNAL CONTROL STRUCTURE

We have audited the component unit financial statements of the Twin Parish Port Commission, a component unit of the Iberia Parish Police Jury and the Vermilion Parish Police Jury for the years ended December 31, 1995, and 1994, and have issued our report thereon dated May 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing our audit of the component unit financial statements of the Twin Parish Port Commission, a component unit of the Iberia Parish Police Jury and the Vermilion Parish Police Jury for the years ended December 31, 1995, and 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of Twin Parish Port Commission, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related cost of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

- a) Cash Collections/ Grant Revenues
- b) Purchases/Cash Disbursements

Solely to assist us in planning and performing our audit, we made a study and evaluation of the internal control structure of Twin Parish Port Commission. For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk. Because we concluded that it would be inefficient to evaluate the effectiveness of internal control structure policies and procedures, and that the audit could be conducted more efficiently by expanding our substantive audit tests, our study and evaluation did not extend beyond this preliminary review phase.

We noted certain matters involving the internal control structure and its operations that we considered to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. Record Keeping:

**Findings and Observations:**

The only documentation available from the commission to support the financial statements were cancelled checks, deposit slips and minutes of the meetings. The contract with the State of Louisiana to fund the construction of boat slips, invoices to contractors for the construction of those slips and the request for reimbursement from the state were not readily available from the commission. After considerable effort the documents were obtained from the engineer.

**Recommendations and Conclusions:**

We recommend that all supporting documents be retained within the commission's office, and available for inspection. It is the commission's responsibility to ensure that all public records are properly maintained and preserved. These records are needed to provide evidence that public revenues and expenditures are properly authorized and recorded.

2. BUDGET:

**Findings and Observations:**

No budget was prepared for the years ended December 31, 1995 and 1994. R.S.39:1303 requires a budget to be prepared by all political subdivisions.

**Recommendations and Conclusions:**

We recommend that the Commission prepare and adopt a budget for each and every year to conform with R.S.39:1303.

3. REVENUES AND EXPENDITURES TO BUDGET:

**Findings and Observations:**

It was noted that actual expenditures exceeded appropriation in the General Fund for the years ended December 31, 1995, and 1994. When actual expenditures plus projected expenditures exceed estimated expenditures or beginning fund balance fails to meet estimated beginning fund balance by five percent the budget should be amended.

**Recommendations and Conclusions:**

We recommend that the Commission compare actual revenues and expenditures plus projected revenues and expenditures to budgeted revenues and expenditures for all funds on a routine basis. Appointed officials should be notified when it appears that revenues will fail to meet budgeted amounts or when expenditures will exceed appropriations by the legal limits. We feel that this procedure would help ensure that the Commission will remain in compliance with laws and regulations.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure element does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that all of the items listed as reportable conditions described above are material weaknesses.

## COMPLIANCE WITH LAWS AND REGULATIONS

Compliance with laws, regulations, contracts, and grants applicable to Twin Parish Port Commission, is the responsibility of the Twin Parish Port Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the Twin Parish Port Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Twin Parish Port Commission, complied with those laws and regulations referred to above, except as described below. However, the extent of noncompliance noted in our testing indicates that, with respect to items that were not tested by us, there is more than a relatively low risk that Twin Parish Port Commission, may not have complied with the provisions referred to in the preceding paragraph. These matters were considered by us in evaluating whether the financial statements are presented fairly in conformity with generally accepted accounting principles.

### 1. Record Keeping:

#### Findings and Observations:

The only documentation available from the commission to support the financial statements were cancelled checks, deposit slips and minutes of the meetings. The contract with the State of Louisiana to fund the construction of boat slips, invoices to contractors for the construction of those slips and the request for reimbursement from the state were not readily available from the commission. After considerable effort the documents were obtained from the engineer.

#### Recommendations and Conclusions:

We recommend that all supporting documents be retained within the commission's office, and available for inspection. It is the commission's responsibility to ensure that all public records are properly maintained and preserved. These records are needed to provide evidence that public revenues and expenditures are properly authorized and recorded.

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We recommend that the Commission compare actual revenues and expenditures plus projected revenues and expenditures to budgeted revenues and expenditures for all funds on a routine basis. Appointed officials should be notified when it appears that revenues will fail to meet budgeted amounts or when expenditures will exceed appropriations by the legal limits. We feel that this procedure would help ensure that the Commission will remain in compliance with laws and regulations.

This report is intended for the information and use of the Twin Parish Port Commission, and management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Sincerely,

  
LANGLINAIS & BROUSSARD  
Certified Public Accountants

May 31, 1996

## STATEMENT A

TWIN PARISH PORT COMMISSION  
ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEET	GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS	
	GENERAL FUND		GENERAL FIXED ASSETS	
	1995	1994	1995	1994
<u>ASSETS:</u>				
CASH AND CASH EQUIVALENTS	\$ 31,180	\$ 25,043		
ACCOUNTS RECEIVABLE	4,722	8,232		
LAND (25 ACRES)			\$150,000	\$150,000
IMPROVEMENTS			709,812	708,337
TOTAL ASSETS	<u>\$ 35,902</u>	<u>\$ 33,275</u>	<u>\$859,812</u>	<u>\$858,337</u>
<u>LIABILITIES AND FUND EQUITY:</u>				
DUE IBERIA PARISH	\$ 24,792	\$ 10,625		
TOTAL LIABILITIES	<u>24,792</u>	<u>10,625</u>		
FUND EQUITY				
INVESTMENT GENERAL FIXED ASSETS			\$859,812	\$858,337
FUND BALANCE-UNRESERVED- UNDESIGNATED	<u>\$ 11,110</u>	<u>\$ 22,650</u>		
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 35,902</u>	<u>\$ 33,275</u>	<u>\$859,812</u>	<u>\$858,337</u>

The accompanying notes are an integral part of these financial statements



## STATEMENT B

TWIN PARISH PORT COMMISSION  
GOVERNMENTAL FUND - GENERAL FUND

<u>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEARS ENDED</u>	<u>DECEMBER 31,</u>	
	<u>1995</u>	<u>1994</u>
<u>REVENUES</u>		
Interest Income	\$ 1,068	\$ 747
Rent	18,889	14,167
State Grants	<u>1,550</u>	<u>17,268</u>
Total Revenues	<u>21,507</u>	<u>32,182</u>
<u>EXPENDITURES</u>		
Current Operating	17,405	7,942
Capital Outlays	<u>15,642</u>	<u>29,934</u>
Total Expenditures	<u>33,047</u>	<u>37,876</u>
EXCESS OF REVENUES OVER EXPENDITURES	(11,540)	(5,694)
FUND BALANCE AT BEGINNING OF YEAR	<u>22,650</u>	<u>28,344</u>
FUND BALANCE AT END OF YEAR	<u>\$ 11,110</u>	<u>\$ 22,650</u>

The accompanying notes are an integral part of these financial statements

STATEMENT C

TWIN PARISH PORT COMMISSION  
All Governmental Fund Type -  
General Funds

	YEARS ENDED DECEMBER 31,			
	1995		1994	
	BUDGET	ACTUAL	BUDGET	ACTUAL
				VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Interest Income	\$ -	\$ 1,068	\$ -	\$ 747
Rent	-	18,889	-	14,167
State Grants	-	1,550	-	17,268
Total Revenues	-	21,507	-	32,182
<u>EXPENDITURES</u>				
Current Operating	-	17,405	-	7,942
Capital Outlays	-	15,642	-	29,934
Total Expenditures	-	33,047	-	37,876
REVENUES OVER EXPENDITURES	-	(11,540)	-	(5,694)
FUND BALANCE AT BEGINNING OF YEAR	22,650	22,650	28,344	28,344
FUND BALANCE AT END OF YEAR	\$ 22,650	\$ 11,110	\$ 28,344	\$ 22,650
				\$ (5,694)

The accompanying notes are an integral part of these financial statements.

TWIN PARISH PORT COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS

As of and for the Two Years Ended

December 31, 1995

The Twin Parish Port Commission (The Commission) is a component unit of the Vermilion Parish and Iberia Parish Police Juries and is subject to their oversight. The Commission has a separate appointed board and provides services to residents within its geographic boundaries. The Commission is excluded from the financial reporting of the Vermilion Parish and Iberia Parish Police Juries because they do not have ability to exercise influence over their daily operations, approve budgets or provide funding.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The accompanying financial statements of the Twin Parish Port Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity. This report includes all funds and account groups which are controlled by or dependent on The Commission.

Fund Accounting. The Commission 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group 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.

The general fund is the general operating fund of the district. The fund classification and a description of the existing fund type follows:

Governmental Fund - General Fund

The Governmental Fund - General Fund is the general operating fund of the district and accounts for the district's general activities and all financial resources.

TWIN PARISH PORT COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS

As of and for the Two Years Ended

December 31, 1995

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of the General Fund present increases and decreases in net current assets. The General Fund is reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues: Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Rental income is recorded when earned.

Substantially all other revenues are recorded when received.

Expenditures: Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Encumbrances: Encumbrances accounting, under which purchase order, contracts, and other commitments for expenditures of monies are recorded in order to reserve fund balance, is not employed by the district.

Cash and Cash Equivalents: Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Fixed Assets and Long-term Obligations: Fixed assets of the governmental fund (General Fund) are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

There are no long-term obligations at December 31, 1995.

TWIN PARISH PORT COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS

As of and for the Two Years Ended

December 31, 1995

Budget and Budgetary Accounting: All budgetary appropriations lapse at the end of each fiscal year.

Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary amounts are as originally adopted, or as amended from time to time by the Board of Commissioners.

The adopted budget and any duly authorized adopted amendments form the framework for which the chief executive or administrative officer and members of the governing authority of the political subdivision monitor revenues and control expenditures. The chief executive or administrative officer shall advise the governing authority or individual elected official in writing when:

Revenue collections plus projected revenue collections for the remainder of the year, within a fund of The Commission are failing to meet estimated annual budgeted revenues by five percent.

Actual expenditures plus projected expenditures for the remainder of the year, within each individual fund for any and all respective departments of The Commission are exceeding their estimated budget expenditures by five percent.

Actual beginning fund balance within a fund of The Commission fails to meet estimated beginning fund balance by five percent.

Cooperative Endeavor Agreement: The Commission has a cooperative endeavor agreement with Iberia Parish hereby, in return for work performed, the Commission has pledged 75% of future tenant rentals to Iberia Parish until the amount of \$45,000 has been paid toward this construction project. Iberia Parish will notify the Commission when to begin payments. The amounts attributable to this agreement amounted to \$14,167 and \$10,625 for 1995 and 1994 respectively.

NOTE 2: CASH AND CASH EQUIVALENTS

At December 31, 1995 and 1994, The Commission has cash and cash equivalents (book balances) totaling \$31,180 and \$25,043 respectively; as follows:

	1995	1994
Demand deposits	\$ 11,117	\$ 4,980
Interest bearing demand deposits	6	6
Time certificates of deposit	20,057	20,057
 Total	 \$ 31,180	 \$ 25,043

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

TWIN PARISH PORT COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS

As of and for the Two Years Ended

December 31, 1995

NOTE 3: ACCOUNTS RECEIVABLE

The following is a schedule of Receivables as of December 31:

	<u>1995</u>	<u>1994</u>
DOTD	\$ -	\$ 362
Bagwell Brothers, Inc.	<u>4,722</u>	<u>7,870</u>
TOTAL	<u>\$ 4,722</u>	<u>\$ 8,232</u>

NOTE 4: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as part of the Combined Statements - Overview, of certain information concerning individual funds including:

The General Fund had excess revenues over budgeted revenues.

Excesses of actual expenditures plus projected expenditures, within an individual fund, exceeding estimated budget expenditures by five percent (5%). The General Fund exceeded its estimated budgeted expenditures by \$33,047 and \$37,876 for the year ended December 31, 1995 and 1994 respectively. The maximum deviation allowed in the General Fund is \$0.

Deficit fund balances of individual funds. No funds reflect such excess fund balances at December 31, 1995 and 1994.

NOTE 5: SUBSEQUENT EVENTS

The Commission is involved in legal action in an attempt to halt the storage of natural gas in Lake Peigneur.



TWIN PARISH PORT COMMISSION

SCHEDULE 2

SCHEDULE OF EXPENDITURES FOR THE YEARS ENDED DECEMBER 31,

	1995		1994		
	BUDGET	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CURRENT OPERATING:					
ADVERTISING	\$ -	\$ 20	\$ -	\$ -	(20)
BANK CHARGES	-	30	-	110	(30)
DIRECTORS FEES	-	1,250	-	1,750	(1,250)
DUES & SUBSCRIPTIONS	-	-	-	16	-
INSURANCE	-	346	-	173	(346)
LEGAL & PROFESSIONAL	-	14,807	-	5,000	(14,807)
OFFICE SUPPLIES	-	43	-	89	(43)
REPAIRS & MAINTENANCE	-	362	-	209	(362)
TELEPHONE	-	547	-	595	(547)
TOTAL CURRENT OPERATING EXPENDITURES	-	17,405	-	7,942	(17,405)
TOTAL CAPITAL OUTLAYS	-	15,642	-	29,934	(15,642)
TOTAL EXPENDITURES	\$ -	\$ 33,047	\$ -	\$ 37,876	\$ (33,047)