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Lafourche Parish Communications District

December 31, 1996

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Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure 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.



Certified Public Accountants.

Thibodaux, La.,
January 15, 1997.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

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 refers 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.

d) 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. 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 District's 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.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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,
Bossier, Louisiana.

We have audited the general purpose financial statements of 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, 1996, and have issued our report thereon dated January 13, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District'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 overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

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 13, 1997.

COMMUNICATIONS LETTER



Bourgeois Bennett

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, 1996, 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 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 statements are free of material misstatements.

As required, separate letters have been issued on the internal control structure 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, 1996.

3) SIGNIFICANT AUDIT ADJUSTMENTS

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

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Thibodaux, La.,
January 6, 1997.

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Our firm is registered as an
audit firm with the
Commission on Government
Accounting, L.L.C.



Emergent Systems

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL
STRUCTURE 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,
Baccharand, Louisiana.

We have audited the general purpose financial statements of 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, 1996, and have issued our report thereon dated January 15, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

The management of the District 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 costs 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 general purpose 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.

In planning and performing our audit of the general purpose financial statements of the District for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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Financial Report
Lafourche Parish Communications District
Raceland, Louisiana
December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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.

Reference Date APR 15 1997

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Communications District,
Baceland, 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, as of and for the year ended December 31, 1996, 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 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, 1996, 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 a report dated January 13, 1997 on our consideration of the Lafourche Parish Communications District's internal control structure and a report dated January 15, 1997 on its compliance with laws and regulations.

Bourgeois Bennett, LLC

Certified Public Accountants

Thibodaux, La.,
January 15, 1997.

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

Lafourche Parish Communications District

December 31, 1996

	<u>Governmental Fund Type</u>	<u>Account Group</u>	<u>Total</u>
	<u>General</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
Assets			
Cash	\$ 53,840	\$ -	\$ 53,840
Investments	253,684	-	253,684
Receivables	16,348	-	16,348
Fixed assets	-	211,467	211,467
Totals	<u>\$ 324,872</u>	<u>\$ 211,467</u>	<u>\$ 535,339</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 3,229		\$ 3,229
Fund Equity and Other Credits			
Investment in general fixed assets		\$ 211,467	211,467
Fund balance - unreserved	320,843	-	320,843
Total fund equity and other credits	<u>320,843</u>	<u>211,467</u>	<u>532,310</u>
Totals	<u>\$ 324,872</u>	<u>\$ 211,467</u>	<u>\$ 535,339</u>

See notes to financial statements.

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

Lafourche Parish Communications District

For the year ended December 31, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 283,000	\$ 286,244	\$ 3,244
Miscellaneous:			
Interest	4,500	6,359	1,859
Other	-	16	16
	<u>287,500</u>	<u>292,619</u>	<u>5,119</u>
Expenditures			
Current:			
Public safety:			
Personal services	90,200	94,131	(3,931)
Materials and supplies	3,000	1,393	1,607
Other services and charges	108,450	117,952	10,498
Repairs and maintenance	16,337	16,080	257
Capital expenditures	<u>5,000</u>	<u>5,165</u>	<u>(165)</u>
	<u>262,987</u>	<u>334,721</u>	<u>8,206</u>
Excess of Revenues Over Expenditures	<u>\$ 44,513</u>	<u>57,898</u>	<u>\$ 13,385</u>
Fund Balance			
Beginning of year		<u>262,945</u>	
End of year		<u>\$ 320,843</u>	

See notes to financial statements.

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

December 31, 1996

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Lafourche Parish Communications District (the District) conform to generally accepted accounting principles as applicable to governments. 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 first financial transactions of the District occurred in February 1990.

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.

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:

Note 3 - CHANGES IN GENERAL FIXED ASSETS (Continued)

The adjustment is based on a physical inventory of items in the General Fixed Assets Account Group.

Note 4 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 1996.

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 the premises located 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 1996 and has been renewed for 1997. The rental expense for 1996 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Memorandum Only - Total Column

The total column on the combined statement is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CASH AND INVESTMENTS

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

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FIC 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.

During the year the District's investments consisted solely of certificates of deposit. All cash and investments were adequately collateralized by FIC insurance and securities held by an unaffiliated bank in the name of the financial institution pledged to the District.

Note 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1996.	Additions	Deletions	Adjustments	Balance December 31, 1996.
Equipment	\$201,469	\$4,946	\$3,360	\$(2,140)	\$204,773
Office furniture and equipment	10,472	212	-	-	10,682
Total	\$211,941	\$5,158	\$3,360	\$(2,140)	\$211,467

Note 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **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.

f) **Investments**

Investments are stated at cost, which approximates market.

g) **General Fixed Assets**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") general 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 general fixed assets. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

h) **Accumulated Vacation and Sick Leave**

Full-time employees receive one week vacation and one week sick leave. There is no material unpaid vacation at December 31, 1995.

i) **Encumbrances**

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

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS