

PARISH COMMUNICATION DISTRICT
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HOUMA, LA 70309

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Financial Report
Terrebonne Parish Communication District
 Houma, Louisiana
December 31, 1995

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Release Date 8-18-96

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Terrebonne Parish Communication District,
Houma, Louisiana.

We have audited the accompanying general purpose financial statements of the Terrebonne Parish Communication District (the District) a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1995, 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. 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. 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 Terrebonne Parish Communication District as of December 31, 1995, 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 February 9, 1996 on our consideration of the Terrebonne Parish Communication District's internal control structure and a report dated February 9, 1996 on its compliance with laws and regulations.

Respectfully submitted,

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
February 9, 1996.

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

Terrebonne Parish Communications District

December 31, 1995

	<u>Governmental Fund Type General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Cash	\$ 153,257	\$ -	\$ 153,257
Investments	300,000	-	300,000
Receivables	27,332	-	27,332
Fixed Assets	-	599,443	599,443
Total assets	<u>\$ 480,489</u>	<u>\$ 599,443</u>	<u>\$ 1,079,932</u>
LIABILITIES			
Accounts payable and accrued expenses	<u>\$ 18,915</u>	<u>\$ -</u>	<u>\$ 18,915</u>
FUND EQUITY			
Investment in general fixed assets	-	599,443	599,443
Fund balance - unreserved	<u>461,574</u>	<u>-</u>	<u>461,574</u>
Total fund equity	<u>461,574</u>	<u>599,443</u>	<u>1,061,017</u>
Totals	<u>\$ 480,489</u>	<u>\$ 599,443</u>	<u>\$ 1,079,932</u>

See notes to financial statements.

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

Terrebonne Parish Communications District

For the year ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 300,000	\$ 321,531	\$ 21,531
Miscellaneous - interest earned	11,000	15,255	26,255
Total revenues	<u>311,000</u>	<u>336,786</u>	<u>25,786</u>
Expenditures			
Health and welfare:			
Supplies and materials	600	547	50
Other services and charges	294,261	290,110	64,151
Repairs and maintenance	31,133	9,816	31,319
Capital expenditures	42,000	65,500	(23,500)
Grant expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>387,994</u>	<u>305,973</u>	<u>82,021</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(76,994)</u>	<u>30,813</u>	<u>107,809</u>
Fund Balances			
Beginning of year	<u>430,761</u>	<u>430,761</u>	<u>-</u>
End of year	<u>\$ 353,767</u>	<u>\$ 461,574</u>	<u>\$ 107,809</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish Communication District

December 31, 1995

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Terrebonne Parish Communication 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 operated as a separate department of the Terrebonne Parish Consolidated Government (the Parish) until it started receiving its own funds in January, 1993.

The District is a component unit of the Parish and as such, their financial statements will be included in the comprehensive annual financial report of the Parish for the year ended December 31, 1995.

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 District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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 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.

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.

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

d) Operating Budgetary Data

The District's Board adopted a budget for the General Fund. The Board, as required by state law, does obtain public participation in the budget process. 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 budget was amended one time 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.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset 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.

g) Investments

Investments are stated at cost, which approximates market.

h) Accumulated Vacation and Sick Leave

The District has no employees. Therefore there are no unpaid vacation and sick leave 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.

j) Memorandum Only - Total Columns

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are 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 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.

During the year the District's investments consisted solely of certificates of deposit. The District's cash and investments in excess of the FDIC insurance are collateralized by 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 <u>1, 1995</u>	Additions	Balance December <u>31, 1995</u>
Equipment	<u>\$533,963</u>	<u>\$65,500</u>	<u>\$599,463</u>

Note 4 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 1995.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



BOURGEOIS BROSSEAU

**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 Directors,
Terrebonne Parish Communication District,
Bourne, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Parish Communication District (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated February 9, 1996.

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, 1995, 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.

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 Directors, 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.

Respectfully submitted,

Bouygere Bennett, LLC.

Certified Public Accountants.

Monroe, Louisiana,
February 5, 1996.



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 Directors,
Terrebonne Parish Communication District,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Parish Communication District (the District), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated February 9, 1996.

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 non compliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board of Directors, 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.

Respectfully submitted,

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
February 9, 1996.

MANAGEMENT LETTER



Bourgeois & Bonheur

February 9, 1996

To the Board of Directors,
Terrebonne Parish Communication District,
Houma, Louisiana.

In connection with our audit of the general purpose financial statements of the Terrebonne Parish Communication District, (the District), as of and for the year ended December 31, 1995, the following item was noted which we would like to bring to your attention.

INVESTMENT POLICY

The District does not have an investment policy as required by Louisiana Revised Statute 13:2955. As a result of House Bill No. 873 Act 1126 of the 1995 Legislative Session, all political subdivisions, shall develop and adopt an investment policy that details and clarifies investment objectives and the procedures and constraints necessary to reach those objectives.

We recommend the District develop and adopt an investment policy. The policy should:

- Reflect the mandate to manage public funds prudently.
- Place appropriate emphasis on the goals of safety of principal first, liquidity second, and yield third.
- Establish internal controls for any derivatives in use to ensure that the risks inherent in derivatives are adequately managed.

We would like to thank Mrs. Dupre for the help extended to us during our audit. We shall be glad to answer any questions you may have.

Sincerely yours,

Edward R. Bouteau

For the firm,

COMMUNICATIONS LETTER



Bourgeois Bennett

COMMUNICATION WITH BOARD OF DIRECTORS

To the Board of Directors,
Terrebonne Parish Communication District,
Houma, Louisiana.

In fulfilling our responsibility as Terrebonne Parish Communication District auditors for the year ended December 31, 1995, we are required to communicate to the Board of Directors certain matters related to the conduct of our audit.

1) AUDITOR'S 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 internal control 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, 1995.

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 Board of Directors and management of Terrebonne Parish Communication District and should not be used for any other purpose.

Respectfully submitted,

Bourgeois Bennett, LLC.

Certified Public Accountants

Houma, Louisiana,
February 9, 1996.

Address Requested, Item 401
FD-302 (Rev. 10-6-95)
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Certified Public
Accountants & Chartered
Accountants
14 Levee, Suite 1000, Houma, LA 70331

FD-302 (Rev. 10-6-95)
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