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Financial Report

Lafourche Parish Communications District

Raceland, Louisiana

December 31, 1999

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 MAY 24 2000

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Lafourche Parish Communications District

December 31, 1999

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FINANCIAL SECTION



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, 1999, 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. 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 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, 1999, 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 25, 2000, 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 25, 2000.

COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP

Lafourche Parish Communications District

December 31, 1999

	<u>Governmental Fund Type General</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
Assets			
Cash	\$ 141,643	\$ -	\$ 141,643
Investments	185,561	-	185,561
Receivables	61,211	-	61,211
Fixed assets	-	382,675	382,675
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 388,415</u>	<u>\$ 382,675</u>	<u>\$ 771,090</u>
Liabilities			
Accounts payable and accrued expenditures	<u>\$ 16,441</u>		<u>\$ 16,441</u>
Equity and Other Credits			
Investment in general fixed assets		\$ 382,675	382,675
Fund balances - unreserved:			
Designated for subsequent year's expenditures	275,259		275,259
Undesignated	96,715		96,715
	<u> </u>		<u> </u>
Total equity and other credits	<u>371,974</u>	<u>382,675</u>	<u>754,649</u>
Total liabilities, equity and other credits	<u>\$ 388,415</u>	<u>\$ 382,675</u>	<u>\$ 771,090</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, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 382,000	\$ 401,399	\$ 19,399
Miscellaneous:			
Interest	7,500	8,141	641
Other	-	208	208
	<u>389,500</u>	<u>409,748</u>	<u>20,248</u>
Total revenues			
Expenditures			
Current:			
Public safety:			
Personal services	154,000	149,161	4,839
Materials and supplies	6,000	4,487	1,513
Other services and charges	144,500	132,192	12,308
Repairs and maintenance	15,216	14,513	703
Capital expenditures	200,000	142,896	57,104
	<u>519,716</u>	<u>443,249</u>	<u>76,467</u>
Total expenditures			
Deficiency of Revenues Over Expenditures	(130,216)	(33,501)	96,715
Fund Balance			
Beginning of year	<u>405,475</u>	<u>405,475</u>	<u>-</u>
End of year	<u>\$ 275,259</u>	<u>\$ 371,974</u>	<u>\$ 96,715</u>

See notes to financial statements.

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

December 31, 1999

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) Nature of Activities

The District assesses a fixed monthly service charge to customers of local telephone companies providing service in Lafourche Parish. The telephone companies collect the charge then remit those collections to the District. The District uses this service charge to run an emergency 911 system.

b) 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.

c) 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)

c) 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

An account group is used to establish accounting control and accountability. The District's Account Group is as follows:

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

d) 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Basis of Accounting (Continued)

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.

e) Use of 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.

f) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, 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.

g) Accounts Receivable

The financial statements of the District contain no allowance for uncollectible accounts. 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.

h) Investments

Investments consist of certificates of deposit and are stated at cost, which approximates market value.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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.

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 5% of the total General Fixed Assets Account Group.

j) 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, 1999.

k) Encumbrances

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

l) 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)

m) 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 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. In accordance with state law all cash and deposits were collateralized.

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	\$100,000	\$ -	\$42,206	\$141,643
Investments:				
Certificates of deposit	<u>171,755</u>	<u>-</u>	<u>13,806</u>	<u>185,561</u>
Totals	<u>\$271,755</u>	<u>\$ -</u>	<u>\$56,012</u>	<u>\$327,204</u>

At December 31, 1999, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated 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 1, 1999	Additions	Deletions	Balance December 31, 1999
Building	\$ 7,500	\$ 97,470	\$ -	\$104,970
Equipment	211,146	54,148	10,200	255,094
Office furniture and equipment	<u>13,113</u>	<u>9,498</u>	<u>-</u>	<u>22,611</u>
Totals	<u>\$231,759</u>	<u>\$161,116</u>	<u>\$10,200</u>	<u>\$382,675</u>

Note 4 - CENTRAL FIRE STATION LEASE

A 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 1999 and the rental expense for 1999 was \$10,800.

Note 5 - CONTINGENT LIABILITIES

A legal action has been filed against the District for the wrongful death of a small child. The case, which was filed December 29, 1993, is in discovery 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 6 - 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; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

Note 7 - COMMITMENT

The Federal Communications Commission (FCC) and the Louisiana State Legislature have issued rulings and statues requiring wireless telecommunications provide the number and location of the caller to the communications district when a caller accesses 911. The FCC will allow providers of wireless service and communications districts to recover all costs associated with providing the enhanced service from consumers. Proceeds of a consumer service charge shall be used for the payment of service provider and district costs associated with the implementation. System enhancements are to be completed within one year of establishing the service charge. The District implemented the rulings and have begun collecting the service charge from consumers effective January 1, 2000. However, the district shall not make payments to service providers un-

Note 7 - COMMITMENT (Continued)

less there is a cooperative endeavor agreement between the district and the provider delimiting the cost of implementation. The District is in the process of negotiating agreements with providers of wireless service. The District believes all required agreements will be completed in the year ending December 31, 2000 and, accordingly, has included estimated service provider costs of \$100,000 in designated fund balance described in Note 1 1).

Note 8 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to members of the Board of Commissioners for the year ended December 31, 1999.

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

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

Our report on our audit of the general-purpose financial statements of the Lafourche Parish Communications District (the District) for the year ended December 31, 1999, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of revenues and expenditures and graphs of revenues and expenditures for the year ended December 31, 1999 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements for the year ended December 31, 1999, taken as a whole.

We also have previously audited, 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, the balance sheets of the Lafourche Parish Communication District as of December 31, 1998 and 1997, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 1998 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 1998 and 1997 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, La.,
January 25, 2000.

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SCHEDULE OF REVENUES AND EXPENDITURES**Lafourche Parish Communications District**

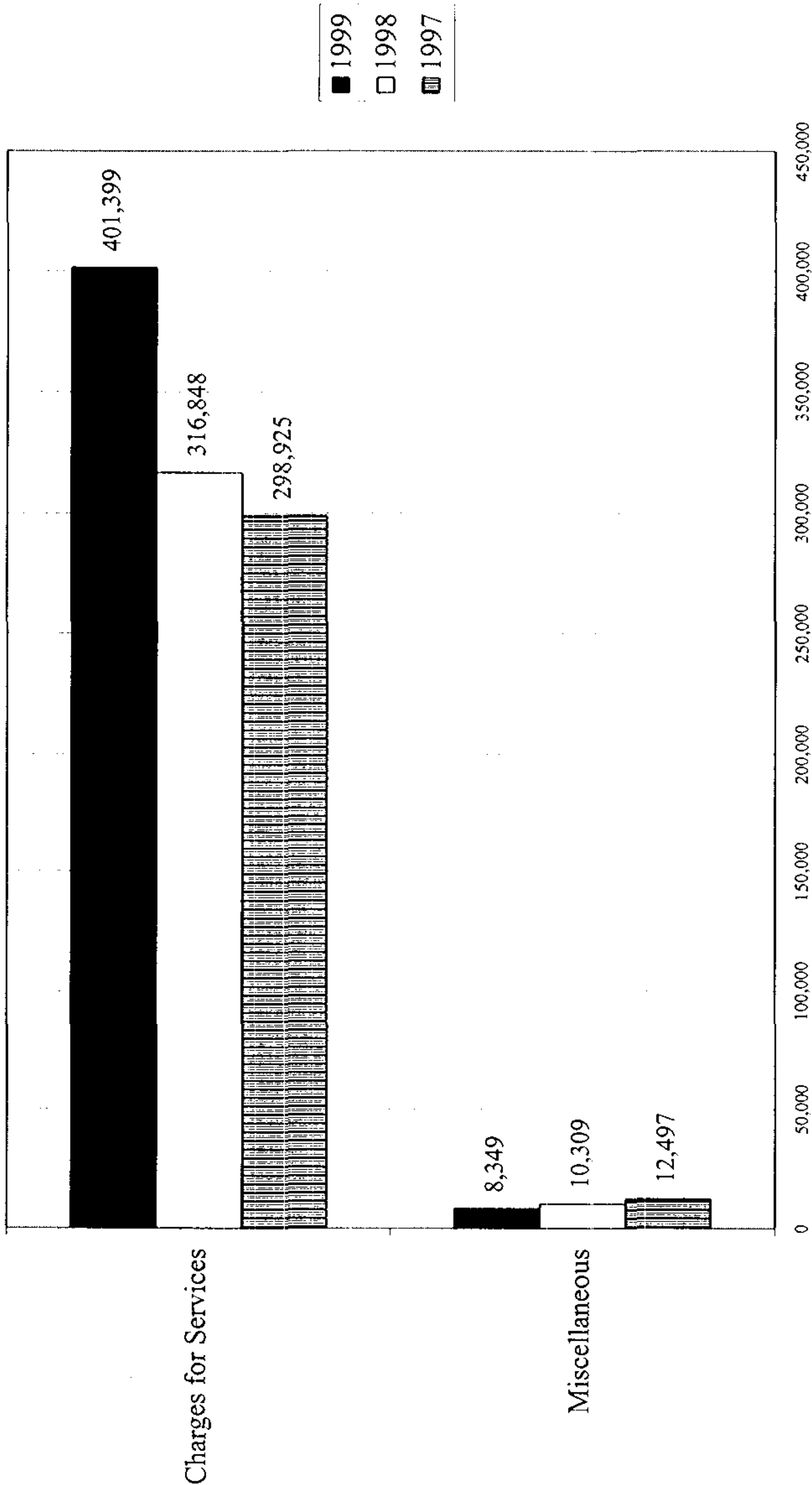
For the years ended December 31, 1999, 1998 and 1997

	<u>1999</u>	<u>1998</u>	<u>1997</u>
REVENUES			
Charges for Services	\$ 401,399	\$ 316,848	\$ 298,925
Miscellaneous	<u>8,349</u>	<u>10,309</u>	<u>12,497</u>
Total revenues	<u><u>\$ 409,748</u></u>	<u><u>\$ 327,157</u></u>	<u><u>\$ 311,422</u></u>
EXPENDITURES			
Personal services	\$ 149,161	\$ 137,443	\$ 105,595
Materials and supplies	4,487	3,664	3,967
Other services and charges	132,192	124,175	127,023
Repairs and maintenance	14,513	17,496	11,796
Capital expenditures	<u>142,896</u>	<u>9,339</u>	<u>13,449</u>
Total expenditures	<u><u>\$ 443,249</u></u>	<u><u>\$ 292,117</u></u>	<u><u>\$ 261,830</u></u>

REVENUES

Lafourche Parish Communications District

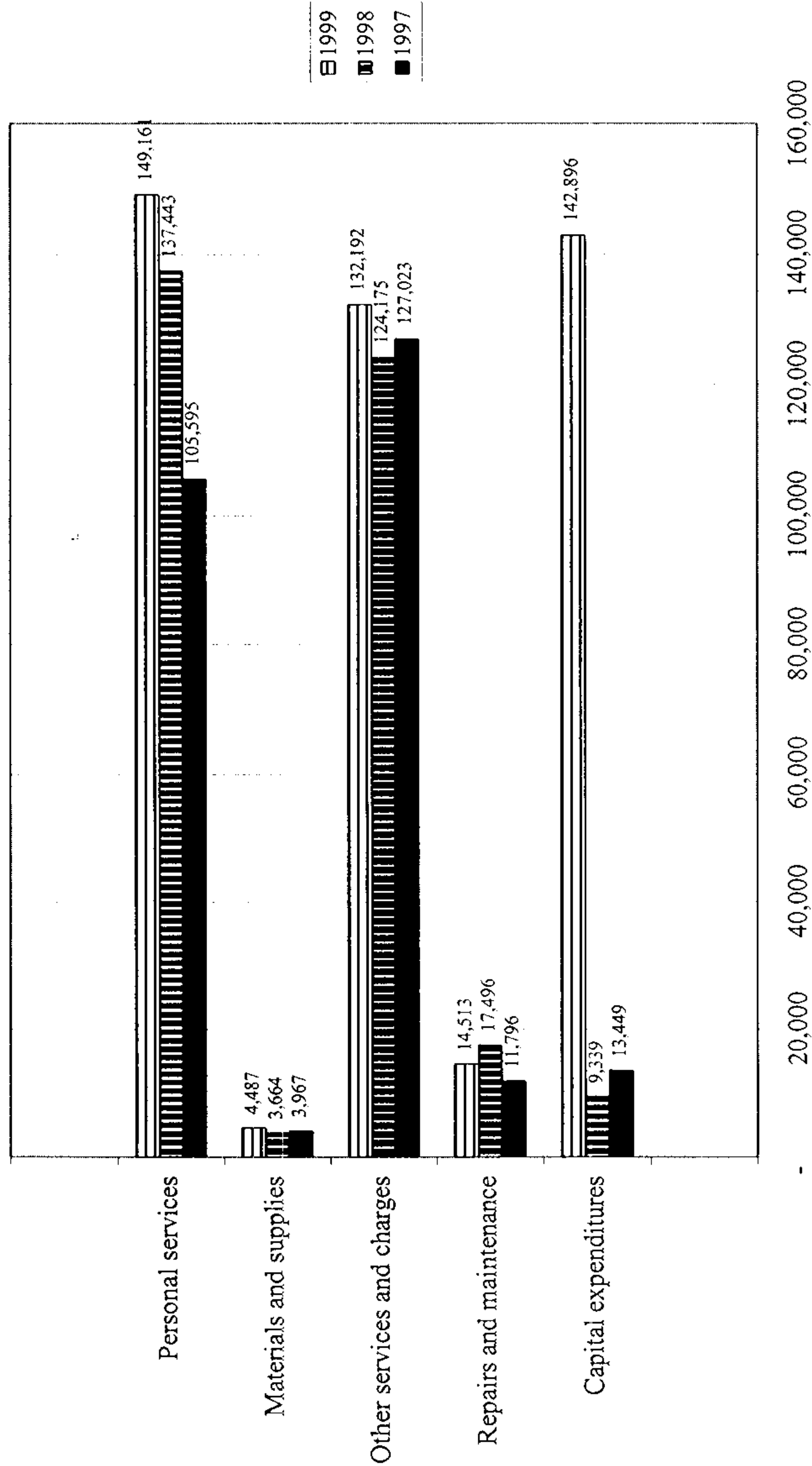
For the years ended December 31, 1999, 1998 and 1997



Expenditures

Lafourche Parish Communications District

For the years ended December 31, 1999, 1998 and 1997



SPECIAL REPORTS 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 Lafourche Parish Communications District (the District), as of and for the year ended December 31, 1999, and have issued our report thereon dated January 25, 2000. 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 and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, La.,
January 25, 2000.

SCHEDULE OF FINDINGS

Lafourche Parish Communications District

For the year ended December 31, 1999

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: qualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

b) Federal Awards

Lafourche Parish Communications District did not receive federal awards during the year ended December 31, 1999.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 1999.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Lafourche Parish Communications District

For the year ended December 31, 1999

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 1998.
No reportable conditions were reported during the audit for the year ended December 31, 1998.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1998.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Communications District did not receive federal awards during the year ended December 31, 1998.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1998.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Communications District

For the year ended December 31, 1999

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 1999.
No reportable conditions were reported during the audit for the year ended December 31, 1999.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1999.

Section II Internal Control and Compliance Material to Federal Awards

Lafourche Parish Communications District did not receive federal awards during the year ended December 31, 1999.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1999.