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**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES**

**AND COMMUNITY DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 1999**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and officials responsible for the report. The report is available for review at the Baton Rouge office of the Legislative Auditor, or, where appropriate, at the office of the parish clerk of court.

Release Date JUN 26 2000





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**AND COMMUNITY DEVELOPMENT AUTHORITY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**



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**Postlethwaite & Netterville**

A Professional Accounting Corporation  
Associated Offices in Principal Cities of the United States  
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**INDEPENDENT AUDITORS' REPORT**

Officers and Trustees  
Louisiana Local Government Environmental Facilities  
and Community Development Authority

We have audited the accompanying balance sheet of Louisiana Local Government Environmental Facilities and Community Development Authority (a quasi-public organization) as of December 31, 1999, and the related statement of revenues, expenses and changes in retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and with *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 financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Local Government Environmental Facilities and Community Development Authority as of December 31, 1999, and the results of its operations and its cash flows 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 April 19, 2000, on our consideration of the entity's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
April 19, 2000

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND  
COMMUNITY DEVELOPMENT AUTHORITY**

**BALANCE SHEET  
DECEMBER 31, 1999**

**ASSETS**

Cash	\$ 114,401
Accounts receivable	12,836
Total current assets	<u>127,237</u>
Property and equipment	<u>5,766</u>
Total assets	<u><u>\$ 133,003</u></u>

**LIABILITIES AND RETAINED EARNINGS**

Accounts payable	\$ 6,132
Other liabilities	511
Total liabilities	6,643
Retained earnings	<u>126,360</u>
Total liabilities and retained earnings	<u><u>\$ 133,003</u></u>

See accompanying notes to financial statements.



**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND  
COMMUNITY DEVELOPMENT AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
YEAR ENDED DECEMBER 31, 1999**

Revenues:	
Issuer fees	\$ 127,485
Application fees	2,000
Interest income	2,430
Miscellaneous income	<u>25,196</u>
Total revenues	<u>157,111</u>
Expenses:	
Management fees	24,474
Salaries	5,958
Employee benefits	742
Other	<u>14</u>
Total expenses	<u>31,188</u>
Net income	125,923
Retained earnings, beginning of year	<u>437</u>
Retained earnings, end of year	<u><u>\$ 126,360</u></u>

See accompanying notes to financial statements.



**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND  
COMMUNITY DEVELOPMENT AUTHORITY**

**STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 1999**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$ 125,923
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) in accounts receivable	(12,836)
Increase in accounts payable	6,132
Increase in other liabilities	511
	<hr/>
Net cash provided by operating activities	119,730

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of equipment	<hr/> (5,766)
	<hr/>
Net cash used in investing activities	(5,766)
	<hr/>
Net increase in cash	113,964
Cash, beginning of year	<hr/> 437
Cash, end of year	<hr/> <hr/> \$ 114,401

See accompanying notes to financial statements.





**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES  
AND COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999**

**1. SIGNIFICANT ACCOUNTING POLICIES**

***(a) Background and Financial Statement Presentation***

The Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA or The Authority) was created by the Louisiana Legislature R.S. 33:4548. The LCDA is a political subdivision of the State of Louisiana and has entered into a management contract with the Louisiana Municipal Association for management services. LCDA was created for the purpose of assisting political subdivisions in constructing, extending, rehabilitating, repairing, and renewing infrastructure, economic development and environmental facilities, and assisting in the financing of such needs by political subdivisions. Membership consists of municipalities, parishes, school boards, and special districts.

The Authority has no taxing power and receives no appropriation from the State of Louisiana or any governmental body. Bonds issued by the Authority are limited obligations of the Authority payable only from income, receipts and assets pursuant to trust indentures related to each bond issue. Accordingly, these financial statements include only the financial position and operations of the Authority and is not intended to include or present assets, liabilities or activities of various bond issues.

***(b) Basis of Accounting***

The Authority is considered an enterprise fund and, accordingly, uses the accrual method of accounting. The Authority applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict with or contradict GASB pronouncements.

***(c) Cash and Cash Flows***

For the purpose of the statement of cash flows, cash includes cash in demand accounts with banks.

***(d) Issuer/Application Fees***

The Authority receives non-refundable issuer and application fees related to bond financing programs issued through the Authority. The Authority recognizes issuer and application fees as income when the respective bond programs are funded and the fees are earned.

***(e) Income Taxes***

The Authority is exempt from federal and state income taxes.

***(f) Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES  
AND COMMUNITY DEVELOPMENT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999**

**2. RELATED PARTY TRANSACTIONS**

The Authority has contracted with the Louisiana Municipal Association (LMA) to perform certain management and administrative functions on its behalf. For the year ended December 31, 1999, the entity recognized \$24,474 of expense related to this agreement. Additionally, at December 31, 1999, the Authority owed LMA \$5,536 in relation to these fees.

**3. MULTI-EMPLOYER PENSION PLAN**

All of the Authority's full-time employees participate in Plan A of the Municipal Employee's Retirement System of Louisiana (the Plan), a multiple-employer municipal employee retirement system. The payroll for the Authority's employees covered by the Plan for the year ended December 31, 1999 was \$5,958.

All employees of the Authority are required to participate in the Plan if they are under the age of 60, are full-time employees, and are not participating in another publicly funded retirement system. Any employee can retire provided he or she meets one of the following criteria: any age with 25 or more years of credited service or age 60 with a minimum of 10 years of credited service. Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the member's final compensation multiplied by his years of creditable service, not to exceed 100 percent of the member's final salary. Employees become fully vested on reaching 10 years of service. The Plan also provides survivor's and disability benefits. Covered employees are required to contribute a percentage of their salary to the Plan (the rate is determined by the Plan and can fluctuate). Of the total 9.25% contribution required by the employee however, the employees contribute 5%, while the Authority contributes the remainder. The contribution requirement for the Authority for the year ended December 31, 1999 was \$894, which consisted of \$596 from the Authority and \$298 from employees.





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**Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Officers and Trustees  
Louisiana Local Government Environmental Facilities  
and Community Development Authority

We have audited the financial statements of Louisiana Local Government Environmental Facilities and Community Development Authority as of and for the year ended December 31, 1999, and have issued our report thereon dated April 19, 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 entity's 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 entity's internal control over financial reporting 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 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 operation that we consider to be material weaknesses.

This report is intended solely for the information and use of Louisiana Local Government Environmental Facilities and Community Development Authority and the Louisiana Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
April 19, 2000