

RECEIVED
LIVINGSTON PARISH
SEP 11 9 11 9:09

LIVINGSTON PARISH
COMMUNICATIONS DISTRICT
ANNUAL FINANCIAL REPORT
DECEMBER 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, 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.

Release Date 8-21-96

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

Annual Financial Statements with Independent Auditor's Report
For the Year Ended December 31, 1995

C O N T E N T S

	<u>PAGE</u>
Independent Auditor's Report	3
 <u>GENERAL PURPOSE FINANCIAL STATEMENTS</u> 	
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - All Governmental Fund Types - General Fund	5
Notes to the Financial Statements	6-9
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-11
Independent Auditor's Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12-13

LEROY J. CHUSTZ

CERTIFIED PUBLIC ACCOUNTANT, APAC

POST OFFICE BOX 158 DENHAM SPRINGS, LOUISIANA 70727-0158 (504) 665-3102 FAX (504) 667-3553

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Livingston Parish Communications District

I have audited the accompanying general purpose financial statements of Livingston Parish Communications District, Denham Springs, Louisiana, component unit of Livingston Parish Police Jury, 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 Livingston Parish Communications District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audits.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Livingston Parish Communications District as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.


Leroy J. Chustz

Certified Public Accountant, APAC

April 4, 1996

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 1995

A S S E T S

	<u>GOVERNMENTAL FUND TYPE- GENERAL FUND</u>	<u>ACCOUNT GROUP- GENERAL FIXED ASSETS</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 1,E)	\$ 422,517	\$ 0
Receivables		
Emergency telephone charges	<u>27,626</u>	<u>0</u>
Total current assets	<u>450,143</u>	<u>0</u>
General Fixed Assets		
Equipment	<u>0</u>	<u>224,415</u>
TOTAL ASSETS	<u>\$ 450,143</u>	<u>\$ 224,415</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 3,935	\$ 0
Due to other governments	<u>5,896</u>	<u>0</u>
Total current liabilities	<u>9,831</u>	<u>0</u>
FUND EQUITY		
Investment in General Fixed Assets	0	224,415
Fund balance- unreserved, undesignated	<u>440,312</u>	<u>0</u>
Total fund equity	<u>440,312</u>	<u>224,415</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 450,143</u>	<u>\$ 224,415</u>

See accompanying notes to the financial statements.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
 For the Year Ended December 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Emergency telephone service charge	\$ 300,178	\$ 321,491	\$ 21,313
Use of money and property- Interest earnings	<u>7,449</u>	<u>15,788</u>	<u>8,339</u>
TOTAL REVENUES	<u>307,627</u>	<u>337,279</u>	<u>29,652</u>
<u>EXPENDITURES</u>			
Current operating Public safety	218,963	223,383	(4,420)
Capital outlay Public safety	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>218,963</u>	<u>223,383</u>	<u>(4,420)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>88,664</u>	<u>113,896</u>	<u>25,232</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>326,416</u>	<u>326,416</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 415,080</u>	<u>\$ 440,312</u>	<u>\$ 25,232</u>

See accompanying notes to the financial statements.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

At its meeting on September 4, 1991, the Livingston Parish Police Jury adopted an ordinance to create Livingston Parish Communications District. Communications districts are created for the purpose of providing emergency telephone response systems to parish residents.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government.

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units which should be included within the reporting entity. The reporting entity for Livingston Parish includes the component unit with oversight responsibility, and other governmental entities within the parish for which the police jury has oversight responsibility. Oversight responsibility is determined on the basis of the following criteria:

1. Financial interdependency
2. Selection of governing authority
3. Designation of management
4. Ability to significantly influence operations
5. Accountability for fiscal matters
6. Scope of public service
7. Special financing relationship

Based on the previous criteria, the Livingston Parish Police Jury has determined that Livingston Parish Communications District is part of the reporting entity based on criteria 2, 4, and 6.

The accounting policies of Livingston Parish Communications District conform to generally accepted accounting principles. The following is a summary of the significant policies.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

Notes to the Financial Statements, Continued

December 31, 1995

A. FUND ACCOUNTING

The communications district is organized and operated on the basis of a fund and account group whereby a separate, self balancing set of accounts (General Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures.

B. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The communications district's records are maintained on a cash basis of accounting. However, the General Fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period. Significant revenues susceptible to accrual include emergency telephone service charges which are recorded in the year the service charges are levied. Emergency telephone service charges are levied each month at 5% of the tariff rate for local service. The amount of service charges expected to be uncollectible is not material and no provision for such is provided.

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, provided the liability normally would be liquidated with expendable available financial resources.

C. BUDGET PRACTICE

The communications district adopts an annual budget based on anticipated revenues consistent with generally accepted accounting principles. Budgetary accounts are not integrated in the formal accounting system. Encumbrance accounting is not followed because of the small number of transactions involved.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
Notes to the Financial Statements, Continued
December 31, 1995

Budgets lapse at year end.

D. GENERAL FIXED ASSETS

Fixed assets other than those accounted for in proprietary funds are general fixed assets. General fixed assets are accounted for in the General Fixed Assets Account Group rather than in the General Fund. Fixed assets are accounted for at cost and interest is not capitalized. Depreciation is not calculated and all infrastructure assets are accounted for. The following is an analysis of changes in the general fixed assets during 1995.

General Fixed Assets at 12/31/94	\$ 224,415
Acquisitions during 1995	0
Disposals during 1995	<u>0</u>
General Fixed Assets at 12/31/95	<u>\$ 224,415</u>

E. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the district may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As confirmed by the fiscal agent and other institutions, the district had cash and cash equivalents totaling \$422,517 (book balances) at December 31, 1995. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved. The following is a summary of cash and cash equivalents at December 31, 1995, with the related federal deposit insurance and pledged securities. The cash and cash equivalents at December 31, 1995, were secured as follows:

Bank balances	<u>\$ 438,931</u>
Federal deposit insurance	188,931
Securities pledged- category 2	<u>200,000</u>
Total insurance and securities	388,931
Bank balances unsecured	<u>\$ 50,000</u>

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
Notes to the Financial Statements, Continued
December 31, 1995

F. PENSION PLAN AND VACATION AND SICK LEAVE

The communications district does not have any employees; therefore, there is no pension plan and no accrual for compensated absences.

2. SCHEDULE OF PER DIEM

The board of commissioners does not receive per diem nor any other compensation from the District.

3. LITIGATION AND CLAIMS

According to legal counsel, there are no claims or litigation pending against the communications district at December 31, 1995.

4. LEASES

Livingston Parish Communications District has no capital or operating lease obligations at December 31, 1995.

LEROY J. CHUSTZ

CERTIFIED PUBLIC ACCOUNTANT, APAC

POST OFFICE BOX 158 DENHAM SPRINGS, LOUISIANA 70727-0158 (504) 665-3102 FAX (504) 667-3553

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Livingston Parish Communications District

I have audited the general purpose financial statements of Livingston Parish Communications District, Denham Springs, Louisiana, component unit of Livingston Parish Police Jury, as of and for the year ended December 31, 1995, and have issued my report thereon dated April 4, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of my tests of compliance disclosed the following instances of noncompliance that are required to be reported under *Governmental Auditing Standards* for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in Livingston Parish Communication District's 1995 financial statements.

1. CASH MANAGEMENT LAWS

Livingston Parish Communication District is required to maintain adequate security for deposits through insurance or pledge of securities. At December 31, 1995, the District had \$438,931 in one bank. The insurance coverage and collateral pledge amounted to only \$388,931, leaving a balance of \$50,000 uninsured and uncollateralized.

DISTRICT RESPONSE

The district has taken steps to fully collateralize its bank deposits, and will monitor collateral pledged by the bank.

2. BUDGET

The district is required to adopt, in an open meeting, its budget prior to the beginning of the fiscal year. The 1995 budget was not adopted until February 21, 1995.

DISTRICT RESPONSE

The District will comply by adopting timely budgets in the future.

I considered these instances of noncompliance in forming my opinion on whether Livingston Parish Communication District's 1995 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated April 4, 1996 on those financial statements.

This report is intended for the information of the Board of Commissioners of Livingston Parish Communications District, Livingston Parish Police Jury, and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Leroy J. Chustz

Certified Public Accountant, APAC

April 4, 1996

LEROY J. CHUSTZ

CERTIFIED PUBLIC ACCOUNTANT, APAC

POST OFFICE BOX 158 DENHAM SPRINGS, LOUISIANA 70727-0158 (504) 665-3102 FAX (504) 667-3553

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Livingston Parish Communications District

I have audited the general purpose financial statements of Livingston Parish Communications District, Denham Springs, Louisiana, component unit of Livingston Parish Police Jury, as of and for the year ended December 31, 1995, and have issued my report thereon dated April 4, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Livingston Parish Communications 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 my audit of the general purpose financial statements of Livingston Parish Communications District, for the year ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

with the assertions of management in the general purpose financial statements.

Because of the limited number of personnel, an internal control structure with adequate segregation of duties is not feasible.

There is no system or individual assigned to monitor compliance with depository collateralization requirements.

A material weakness is a reportable 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.

My 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, I noted the following matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of Livingston Parish Communications District for the year ended December 31, 1995.

Both matters discussed above are considered to be material weaknesses.

This report is intended for the information of the Board of Commissioners of Livingston Parish Communications District, Livingston Parish Police Jury, and the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Leroy J. Chustz

Certified Public Accountant, APAC

April 4, 1996