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LIVINGSTON PARISH AUDITOR
DECEMBER 23 1999

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**LIVINGSTON PARISH
COMMUNICATIONS DISTRICT
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Report**

**As of and for the Year Ended December 31, 1999
with Supplemental Information Schedule**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the parish and other appropriate public officials. The report is available for public inspection in the State Budget Office of the Legislative Auditor and, where appropriate, in the office of the parish clerk of court.

Report Date: APR 15 2000

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INDEPENDENT AUDITORS' REPORT

**Board of Commissioners
Livingston Parish Communication District
State of Louisiana**

I have audited the accompanying general purpose financial statements of Livingston Parish Communication District, a component unit of Livingston Parish Government, 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 Livingston Parish Communication District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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 American Governmental Audit Guide, issued by the Louisiana Legislative Auditor. These 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 Communication 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, I have also issued a report dated February 14, 2000, on my consideration of Livingston Parish Communication District's internal control structure and a report dated February 14, 2000, on its compliance with laws and regulations.

Leroy J. Ghustz
Certified Public Accountant, APAC
February 14, 2000

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Board of Commissioners
Livingston Parish Communications District
State of Louisiana**

I have audited the financial statements of Livingston Parish Communications District, a component unit of Livingston Parish Government, as of and for the year ended December 31, 1999, and have issued my report thereon dated February 14, 2000. I conducted my audit in accordance with generally accepted auditing 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 Livingston Parish Communications District's financial statements are free of material misstatement, I performed tests of 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 these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Livingston Parish Communications District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of Livingston Parish Communications District's management, and federal awarding agencies and the Legislative Auditor. However, this report was matter of public record and its distribution is not limited.

Leroy J. Chustz
Certified Public Accountant, APAC
February 14, 2000

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1999ASSETS

	<u>GOVERNMENTAL FUND TYPE- GENERAL FUND</u>	<u>ACCOUNT GROUP- GENERAL FIXED ASSETS</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 1,E)	\$ 154,772	\$ 0-
Certificates of deposit	200,000	
Receivables		
Emergency telephone charges	<u>67,315</u>	<u>0-</u>
Total current assets	<u>421,987</u>	<u>0-</u>
GENERAL FIXED ASSETS		
Equipment and Furniture	<u>0-</u>	<u>674,968</u>
TOTAL ASSETS	<u>\$ 421,987</u>	<u>\$ 674,968</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 72,939	\$ 0-
Total current liabilities	<u>72,939</u>	<u>0-</u>
FUND EQUITY		
Investment in General Fixed Assets		674,968
Fund balance-		
Designated, equipment replacement	500,000	
Unreserved, undesignated	<u>49,948</u>	<u>0-</u>
Total fund equity	<u>549,948</u>	<u>0-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 421,987</u>	<u>\$ 674,968</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 FUNDS
For the Year Ended December 31, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES			
Emergency telephone service charge	\$241,900	\$416,871	\$174,971
Use of money and property:			
Interest earnings	22,000	24,517	2,517
Miscellaneous	—	521	521
TOTAL REVENUES	263,900	441,909	178,009
EXPENDITURES			
Current operating:			
Public safety:			
Per Diem	1,000	1,900	1,900
Salaries and benefits	—	999	(999)
Payments to other governments for salaries	200,000	209,606	(9,606)
Collectors fees	1,000	4,109	(3,109)
Telephone	90,000	59,430	30,570
Insurance	8,000	6,406	1,594
Equipment repairs and maintenance	21,500	280	21,220
Professional fees	4,000	4,108	(108)
Miscellaneous	10,500	11,573	(1,073)
Capital outlay:			
Public safety equipment	301,151	303,168	2,017
TOTAL EXPENDITURES	611,151	632,639	21,488
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(347,251)	(190,730)	156,521
FUND BALANCE AT BEGINNING OF YEAR	540,176	540,176	
FUND BALANCE AT END OF YEAR	\$192,925	\$349,446	

See accompanying notes to the financial statements.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

Notes to the Financial Statements For the Year Ended December 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

At its meeting on September 4, 1991, the Livingston Parish Police Jury (now the Livingston Parish Council) 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 1100 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 Government 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.

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 refers 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.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
Notes to the Financial Statements, Continued
December 31, 1999

Encumbrance accounting is not followed because of the small number of transactions involved. 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 1999.

General Fixed Assets at 12/31/98	\$572,799
Acquisitions during 1999	302,369
Disposals during 1999	<u>0</u>
General Fixed Assets at 12/31/99	<u>\$875,168</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 \$161,602 (bank balances) at December 31, 1999. 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, 1999, with the related federal deposit insurance and pledged securities. The cash and cash equivalents at December 31, 1999, were acquired as follows:

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
Notes to the Financial Statements, Continued
December 31, 1999

Bank balances	<u>\$161,000</u>
Federal deposit insurance	100,000
Securities pledged- Gregory 2	<u>61,000</u>
Total insurance and securities	
Bank balances unsecured	<u>\$ 0</u>

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.

G. 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 these estimates.

2. SCHEDULE OF PER DIEM

Board Members are appointed by the Livingston Parish Council and serve at the pleasure of the Council. There are no set terms of office. Board Members are paid \$50.00 per diem for each meeting they attend.

BOARD MEMBER	MEETINGS ATTENDED	PER DIEM
C. Wayne Sanders P.O. Box 117 Denham Springs, LA 70727	10	\$ 500.00
Fred Banks 910 Haschell Lane Denham Springs, LA 70726	11	550.00
Donald R. Dodson 34220 Walker North Road Walker, LA 70795	10	500.00
Russell D. Hutchinson Post Office Box 275 Albany, LA 70711	12	600.00

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
Notes to the Financial Statements, Continued
December 31, 1999

C.H. Kennedy P.O. Box 1624 Denham Springs, LA 70727	11	550.00
Peggy Sorey 19090 LA HWY 66 Fort Vincent, LA 70726	15	650.00
Jeffrey L. Wesley P.O. Box 847 Denham Springs, LA 70727	11	550.00
	TOTAL	<u>\$1,900.00</u>

3. LITIGATION AND CLAIMS

According to legal counsel, there are no claims or litigation pending against the Communications District as December 31, 1999.

4. LEASES

Livingston Parish Communications District has no capital or operating lease obligations as December 31, 1999.

5. YEAR 2000 COMPLIANCE (UNAUDITED)

Time and space saving programming decisions made in prior years resulted in two-digit computer codes that may not correctly recognize "00" as the year 2000. Serious processing error or system failure could result. To prevent this error, computer systems and equipment must be reprogrammed or replaced to make them year 2000 compliant.

The Communication District is significantly dependent on computerized systems for essential operations and to provide services to citizens. As a continuing process, the District is actively engaged in making necessary changes to its systems and equipment to achieve year 2000-compliance. The District experienced no significant problems related to year 2000 issues.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 1999

I have audited the financial statements of Livingston Parish Communications District as of and for the year ended December 31, 1999, and have issued our report thereon dated February 14, 2000. I conducted my 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. My audit of the financial statements as of December 31, 1999, resulted in an unqualified opinion.

Section I Summary of Auditor's Results

	YES	NO	NA
<i>Financial Statements</i>			
Internal control over financial reporting:			
Material weakness(es)		X	
Reportable condition(s)		X	
Noncompliance material to the financial statements			X
 <i>Federal Awards</i>			
Internal control over major programs:			
Material weakness(es) identified			X
Reportable condition(s) identified			X
Type of auditor's report on compliance for major programs			X
Any findings required to be reported by section 510 (c) of Circular A-133			X
 <i>Identification of Major Programs</i>			
CFDA Number(s)	Name of Federal Program (or Cluster)		
Not applicable			
Dollar threshold used to distinguish between Type A and Type B Programs	\$ NA		
Is the audit a "low-risk" audit, as defined by OMB Circular A-133?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> NA

Section II Financial Statement Findings

Current Year Findings

No Findings to Report.

Prior Year Findings

No Findings to Report.

Section III Federal Award Findings and Questioned Costs

No Findings to Report.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 1999**

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

No findings reported.

Section II-Internal Control and Compliance Material to Federal Awards:

No findings reported.

Section III-Management Letters:

No findings reported.