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INDEPENDENT AUDITORS' REPORT

ASCENSION PARISH COMMUNICATION DISTRICT

FINANCIAL REPORT

DECEMBER 31, 1997 AND 1996

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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 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 NOV 26 1998



**Postlethwaite & Netterville**

(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

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LOUISIANA

**INDEPENDENT AUDITORS' REPORT**

**ASCENSION PARISH COMMUNICATION DISTRICT**

**FINANCIAL REPORT**

**DECEMBER 31, 1997 AND 1998**



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# Postlethwaite & Netterville

A Professional Accounting Firm  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Members of the Board of Commissioners  
ACACIENON PARISH COMMUNICATION DISTRICT  
Donaldsonville, Louisiana

We have audited the accompanying general purpose financial statements of ACACIENON PARISH COMMUNICATION DISTRICT, a component unit of the Acacienon Parish Council as of December 31, 1997 and for the years ended December 31, 1997 and 1996, 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 audits.

We conducted our audits 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 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 audits provide 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 ACACIENON PARISH COMMUNICATION DISTRICT, as of December 31, 1997 and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 1, 1998 on our consideration of ACACIENON PARISH COMMUNICATION DISTRICT'S internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Postlethwaite & Netterville*

Donaldsonville, Louisiana  
June 1, 1998

Receipt Acknowledged  
Legislative Auditor

By 

**ASCENSION PARISH COMMUNICATION DISTRICT**  
**RONALDSVILLE, LOUISIANA**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1997 AND 1996**

**ASSETS**

	Governmental Fund Type	Account Groups		Totals (Miscellaneous Only)		
		General Fund	General	General Long-	1997	1996
			Fixed Assets	Term Debt		
Cash	\$ 144,462	\$ -	\$ -	\$ 144,462	\$ 108,989	
Certificates of Deposit	90,734	-	-	90,734	80,079	
Commissions receivable	21,668	-	-	21,668	18,714	
Account interest receivable	962	-	-	962	875	
General fixed assets	-	750,137	-	750,137	676,842	
Amount to be provided for retirement of general long-term debt	-	-	144,121	144,121	-	
<b>Total assets</b>	<b>\$ 357,832</b>	<b>\$ 750,137</b>	<b>\$ 144,121</b>	<b>\$ 1,152,695</b>	<b>\$ 885,499</b>	

**LIABILITIES AND FUND BALANCE**

<b>Liabilities</b>					
Accounts payable	\$ 61,800	\$ -	\$ -	\$ 61,800	\$ 183,297
Certificates of Indebtedness payable	-	-	144,121	144,121	-
<b>Total liabilities</b>	<b>61,800</b>	<b>-</b>	<b>144,121</b>	<b>205,921</b>	<b>183,297</b>
<b>Equity and other credits</b>					
Investment in general fixed assets	-	750,137	-	750,137	676,842
Unassigned - undesignated	196,734	-	-	196,734	20,739
<b>Total fund balance</b>	<b>196,734</b>	<b>750,137</b>	<b>-</b>	<b>946,861</b>	<b>697,581</b>
<b>Total liabilities and fund balance</b>	<b>\$ 357,832</b>	<b>\$ 750,137</b>	<b>\$ 144,121</b>	<b>\$ 1,152,695</b>	<b>\$ 885,499</b>

The accompanying notes are an integral part of this statement.



**ASCENSION PARISH COMMUNICATION DISTRICT  
BOZALENSVILLE, LOUISIANA**

**STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GENERAL FUND  
YEARS ENDED DECEMBER 31, 1997 AND 1996**

	<u>1997</u>	<u>1996</u>
<b>REVENUES</b>		
Fees and charges	\$ 243,786	\$ 209,604
Interest income	3,559	24,319
	<hr/>	<hr/>
Total Revenues	247,345	233,923
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
Current:		
Fees	-	141
Telephone	140,397	138,894
Legal and professional	6,124	7,400
Office expenses	683	27
Repairs and maintenance	383	3,075
Training	831	-
Capital outlay	73,394	611,684
Debt Service:		
Principal retirement	45,879	-
Interest	3,443	-
	<hr/>	<hr/>
Total Expenditures	278,861	760,886
	<hr/>	<hr/>
Excess (deficit) of Revenues over Expenditures	(13,516)	(526,963)
Other Financing Sources:		
Proceeds of Certificates of Indebtedness	59,000	-
	<hr/>	<hr/>
Excess (deficit) of Revenues and Other Sources over Expenditures	45,484	(526,963)
Fund balance, beginning of year	28,320	517,083
	<hr/>	<hr/>
Fund balance, end of year	\$ 73,804	\$ -
	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.



**ASCENSION PARISH COMMUNICATION DISTRICT**  
**MONROE, LOUISIANA**

**STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET TO ACTUAL AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 1997**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Fees and charges	\$ 261,000	\$ 251,706	\$ (7,594)
Interest income	8,049	8,599	1,500
<b>Total Revenues</b>	<b>269,049</b>	<b>260,305</b>	<b>(8,084)</b>
<b>EXPENDITURES</b>			
Current:			
Fees	-	-	-
Telephone	147,060	148,297	7,083
Legal and professional	-	8,134	(8,134)
Office supplies	-	600	(600)
Repairs and maintenance	13,092	395	12,997
Training	-	811	(811)
Capital outlay	208,000	73,264	135,796
Debt Service:			
Principal retirement	40,879	40,879	-
Interest	9,447	9,448	(1)
<b>Total Expenditures</b>	<b>414,378</b>	<b>276,861</b>	<b>(35,217)</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>(44,729)</b>	<b>(13,596)</b>	<b>(31,133)</b>
<b>Other Financing Sources:</b>			
Proceeds of Certificates of Indebtedness	198,000	198,000	-
<b>Excess (Deficit) of Revenues and Other Sources over Expenditures</b>	<b>48,271</b>	<b>176,664</b>	<b>(150,133)</b>
Fund balance, beginning of year	28,320	28,320	-
<b>Fund balance, end of year</b>	<b>\$ 48,891</b>	<b>\$ 198,724</b>	<b>\$ 150,133</b>

The accompanying notes are an integral part of this statement.

**ASCENSION PARISH COMMUNICATION DISTRICT**  
**BOULDERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

As provided by Louisiana Revised Statutes 13:9151 - 9154, the Communications District was created to provide emergency communications to the residents of Ascension Parish. The District was created by the Ascension Parish Council, who in turn appoints a board to manage the affairs of the District. The board appoints a Director to function as the manager. Each member serves on a voluntary basis. The District serves approximately 58,000 residents and a geographic area of approximately 260 square miles. There currently are no employees and the Ascension Parish Sheriff serves as the director on a voluntary basis.

The accounting and reporting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments. 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 certain significant accounting policies:

**A. Reporting Entity**

As the governing authority of the parish, for reporting purposes, the Ascension Parish Council is the financial reporting entity for Ascension Parish. The financial reporting entity consists of (a) the primary government (itself), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ascension Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the council to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.





**ASCENSION PARISH COMMUNICATIONS DISTRICT**  
**BOULDERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish appoints all members to the District's Board of Commissioners, the District was determined to be a component unit of the Ascension Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Fund Accounting**

The financial transactions of the District are recorded in individual funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Each account group represents a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not affect net expendable available financial resources.

The various funds and account groups are reported by type in the combined financial statements. The amounts shown in the "Total (Miscellaneous Only)" column in the accompanying general purpose financial statements represent a summation of the consolidated financial statement line items of the fund types and account groups and are presented only for analytical purposes. This summation includes the caption "amounts to be provided" which is not an asset in the usual sense. Consequently, amounts shown in the "Total (Miscellaneous Only)" columns are not comparable to consolidated financial statements and do not represent the total resources available or total revenues and expenditures of the District. Certain amounts and balances in the 1996 "Total (Miscellaneous Only)" column have been reclassified to conform with the 1997 presentation.

The District uses the following fund categories, fund types and account groups.

**Governmental Fund Type:**

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General fund was established in compliance with Louisiana Revised Statute 33:906, which provides that a percentage of the telephone bills collected throughout the parish be transmitted to the District to defray its expenditures.



**ASCENSION PARISH COMMUNICATION DISTRICT**  
**BOHAIENSVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**Account Group:**

The account group is not a fund. It is concerned only with the measurement of financial position, not with measurement of results of operations. Account groups are used to establish accounting control and accountability for the District's general long-term debt and general fixed assets.

**General Long-Term Obligations Account Group** - The General Long-Term Obligations Account Group is used to account for all long-term obligations of the District.

**General Fixed Asset Account Group** - The General Fixed Asset Account Group is used to account for all fixed assets of the District.

**C. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported to the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied. The accompanying component unit financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Commissions on telephone bills are recorded in the year earned. Interest is recorded when paid and accrued for reporting purposes.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are reported as expenditures at the time purchased.

**D. Budget Practices**

The proposed budgets for fiscal year 1997 were completed and made available for public inspection at the Sheriff's office prior to December 15, 1996. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 1997 budgets were formally adopted by the District after the public hearing. The budget, which included proposed expenditures and the means of financing them, for the General Fund, was published in the official journal ten days prior to the public hearings.

The budget for the General Fund was prepared on the modified accrual basis of accounting.

**ASCENSION PARISH COMMUNICATIONS DISTRICT**  
TERMINOUILLE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budget Practices**

When actual revenues within a fund are falling to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures are exceeding estimated budgeted expenditures by five percent or more, the budget should be amended to reflect such changes and adopted by the District in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget, or as amended by the Communication District.

**2. Cash**

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At year end, the carrying amount of the District's deposits was \$235,379 and the bank balance was \$251,946. Of the bank balance, \$186,619 was covered by federal depository insurance and \$65,327 was covered by collateral held by the pledging bank's agent in the District's name.

**3. Changes in General Fixed Assets**

A summary of Changes in General Fixed Assets follows:

	<u>Balance</u> <u>January 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 1997</u>
Building Improvements	\$ 45,048	\$ -	\$ -	\$ 45,048
Equipment	<u>611,802</u>	<u>73,234</u>	<u>-</u>	<u>685,036</u>
	<u>\$ 656,850</u>	<u>\$ 73,234</u>	<u>\$ -</u>	<u>\$ 730,084</u>



**ASCENSION PARISH COMMUNICATION DISTRICT**  
**Donaldsonville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**4. Changes in Long-Term Debt**

The following is a summary of long-term debt transactions for the year ended December 31, 1997:

	Certificates of Indebtedness
Payable, January 1, 1997	\$ -
Additions	180,000
Debtions	<u>42,875</u>
Payable, December 31, 1997	<u>\$ 140,125</u>

Bonds payable at December 31, 1997 are comprised of the following individual issues:

**GENERAL LONG TERM DEBT**

Certificates of Indebtedness

\$180,000 certificates of indebtedness dated January 13, 1997 due in monthly installments of \$1,000 through August 2000 including interest at 6%	<u>\$ 140,125</u>
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The annual requirements to amortize all debt outstanding as of December 31, 1997 including interest of \$62,556 are as follows:

Year ending December 31,	Certificates of Indebtedness
1998	\$ 60,256
1999	80,256
2000	<u>81,238</u>
	<u>\$ 160,818</u>



**OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**





## Postlethwaite & Netterville

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CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Commissioners  
ASCENSION PARISH COMMUNICATION DISTRICT  
Donaldsonville, Louisiana

We have audited the general purpose financial statements of ASCENSION PARISH COMMUNICATION DISTRICT, a component unit of the Ascension Parish Council, as of and for the years ended December 31, 1997 and 1998, and have issued our report thereon dated June 1, 1998. We conducted our audits 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 ASCENSION PARISH COMMUNICATION 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 audits, we considered **ASCENSION PARISH COMMUNICATIONS 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, would adversely affect **ASCENSION PARISH COMMUNICATIONS DISTRICT's** ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Donaldsonville, Louisiana  
June 1, 1998

**ASCENSION PARISH COMMUNICATION DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED DECEMBER 31, 1997**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of **ASCENSION PARISH COMMUNICATION DISTRICT**.
2. The reportable condition disclosed during the audit of the financial statements is reported in Part B of this report. The condition is not a material weakness.
3. No instances of noncompliance material to the financial statements of **ASCENSION PARISH COMMUNICATION DISTRICT** were disclosed during the audit.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITION**

**1997-1 Segregation of Duties**

*Condition:* The accounting personnel is limited in size.

*Criteria:* Effective internal controls are established from the segregation of duties.

*Effect:* The segregation of duties is inadequate to provide effective internal control.

*Recommendation:* No actions is recommended.

*Response:* We concur with the recommendation.



## ASCENSION PARISH COMMUNICATION DISTRICT

### SCHEDULE OF PROBLEMS

YEAR ENDED DECEMBER 31, 1997

#### A. **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

##### 1. **Budget Adoption**

*Circumstances:* The District did not comply with the following requirements of LRS 28-1144(c), 1905, 1906, and 1907.

- a. All action necessary to adopt and finalize the budget should be completed prior to year end. The adopted budget should contain the same information as that required for the proposed budget.
- b. The proposed budget should be submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year.
- c. To the extent that proposed expenditures were greater than \$150,000, the budget should be made available for public inspection and should be advertised in the official journal. The advertisement should include the date, time, and place of the public hearing. A budget summary should be published in the official journal at least 10 days prior to the public hearing. Notices should also be published verifying that all actions required by the Local Government Budget Act have been completed.
- d. The proposed budget should be made available for public inspection at the required location.

*Recommendation:* The auditor recommended that the District comply with the above listed budget requirements in the future.

*Current Status:* The District complied with the above budget requirements subsequently. No similar findings were noted in the 1997 audit.

##### 2. **Budget Amendments**

*Circumstances:* LRS 28-1100 requires amendments to the general fund budget when actual expenditures exceed budgeted expenditures by five percent or more. For the year ended December 31, 1996, the general fund budget had not been amended as required.

*Recommendation:* The auditor recommended amendments to the budget when necessary.

*Current Status:* The District has amended its 1997 budget as necessary. No similar finding was noted in the 1997 audit.