

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

**REPORT ON AUDIT OF COMPONENT
UNIT FINANCIAL STATEMENTS**

DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Livingston Parish Communications District
Livingston Parish Council
Livingston, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Communications District, State of Louisiana, “the District”, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Livingston Parish Communications District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish Communications District, State of Louisiana as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District’s management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of

America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part

of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Livingston Parish Communications District's basic financial statements. The accompanying schedules listed as Other Supplementary Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules listed as Other Supplementary Information in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules listed as Other Supplementary Information in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 29, 2023

Livingston Parish Communications District
Management's Discussion and Analysis
December 31, 2022

Introduction

The Livingston Parish Communications District (the District) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards as more fully described in the financial statement footnotes as *Footnote 1 - Summary of Significant Accounting Policies*.

The Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's financial statements in this report.

Financial Highlights

- At December 31, 2022, the District's government wide assets of \$2,781,864 exceeded its liabilities by \$1,243,127 (net position). Of this amount, \$964,178 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens.
- For the year ended December 31, 2022, the District's total government wide net position increased by \$31,081.
- At December 31, 2022, the District's governmental fund reported an ending fund balance of \$1,007,609, an increase of \$145,131 for the year. Of this amount a total of \$926,508 is unassigned and is available for spending at the District's discretion, \$81,101 is not spendable.
- At December 31, 2022, the District had cash and cash equivalents of \$1,176,558, which represents a decrease of \$86,713 from December 31, 2021.
- At December 31, 2022, the District had capital assets net of accumulated depreciation of \$1,036,348.

Overview of the Annual Financial Report

The financial statement focus is on both the District as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the District's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various governmental activities that are supported by the District's phone tariffs and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services.

In the government-wide financial statements, the District's activities are presented as:

- Governmental activities - The District's basic services are reported here. These activities are financed primarily by telephone tariffs in Livingston Parish to fund public safety emergency communications services.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The District uses one category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the District's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

Net Position		2022 and 2021	
		<u>Governmental Activities</u>	
		<u>2022</u>	<u>2021</u>
Assets:			
Current and Other Assets	\$	1,745,516	\$ 1,745,484
Capital Assets		1,036,348	983,119
Total Assets		<u>2,781,864</u>	<u>2,728,603</u>
Liabilities:			
Long-Term Debt Outstanding		670,000	795,000
Other Liabilities		868,737	721,557
Total Liabilities		<u>1,538,737</u>	<u>1,516,557</u>
Net Position:			
Net Investment in Capital Assets		235,518	59,306
Restricted		43,431	43,431
Unrestricted		964,178	1,109,309
Total Net Position	\$	<u><u>1,243,127</u></u>	<u><u>\$ 1,212,046</u></u>

For the year ended December 31, 2022, approximately 78 percent of the District's net position is unrestricted and may be used to meet the District's ongoing obligations to its citizens.

For the year ended December 31, 2022, approximately 19 percent of the District's net position reflects its net investment in capital assets.

For the year ended December 31, 2022, approximately 3 percent of the District's net position is restricted on how it can be used. The District's restricted net position consists of restricted cash for capital projects required by a revenue bond agreement.

At December 31, 2022, the District had cash and cash equivalents of \$1,076,558 and investments of a certificate of deposit with maturity greater than three months of \$100,000 for total cash and investments of \$1,176,558. This represents approximately 67 percent of current and other assets.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the District’s activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

**Changes in Net Position
For the years ended December 31, 2022 and 2021**

	Governmental Activities	
	2022	2021
Revenues:		
General Revenues:		
Emergency Telephone Tariffs, net of Collection Fees	\$ 1,944,045	\$ 1,897,448
Prepaid Phone Fees	299,572	337,427
Interest Income	1,719	598
Miscellaneous	-	-
Gain (Loss) on Disposal of Capital Assets	-	-
Total Revenues	<u>2,245,336</u>	<u>2,235,473</u>
Expenses:		
Public Safety - Emergency Communications	2,193,373	2,178,959
Bond Interest Expense	20,882	17,706
Total Expenses	<u>2,214,255</u>	<u>2,196,665</u>
Change in Net Position	31,081	38,808
Net Position, Beginning	1,212,046	1,173,238
Net Position, Ending	<u>\$ 1,243,127</u>	<u>\$ 1,212,046</u>

The District’s total revenues increased by \$9,863 or less than 1 percent of the prior year amount. The overall increase is primarily attributed to the increase in Tariff Revenue and Prepaid Phone Fees. Emergency telephone tariffs, net of collections increased \$46,597 and prepaid phone fees decreased \$37,855. Total program expenses increased by less than 1 percent or approximately \$17,590.

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund type – governmental funds.

Governmental Funds

The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the year.

The District has two major fund types: General and Capital Projects. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds.

The general fund is the chief operating fund of the District. At the end of the current year, the total fund balance for the general fund was \$1,007,609, of which \$926,508 or 92 percent was unassigned. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

General Fund Budgetary Highlights

Livingston Parish Communications District adopts an annual operating budget in accordance with the requirements of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5 percent of budgeted revenues and actual expenditures were within 5 percent of budgeted expenditures. The budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operation of the District. The operating budget is adopted before the end of the prior fiscal year and is amended by the Board of Commissioners after review of monthly budget-to-actual reports if necessary. The analysis of budget variances refers to Schedule 1 included as Required Supplementary Information, following the footnotes of the financial statements.

Capital Assets and Debt Administration

Capital Assets

The District’s investment in capital assets for its governmental activities as of December 31, 2022 amounts to \$1,036,348 (net of depreciation). This represents a total increase in the District’s investment in capital assets for the current fiscal year of \$53,229 (net of depreciation). The increase is due to current year equipment acquisitions.

The following table provides a summary of the District’s capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 8 to the financial statements in this report.

Capital Assets (Net of Depreciation) 2022 and 2021

Capital Assets	Governmental Activities	
	2022	2021
Land	\$ -	\$ -
Buildings and Improvements	974,286	974,286
Equipment	2,711,578	2,502,779
Subtotal Capital Assets	3,685,864	3,477,065
Less: Accumulated Depreciation	(2,649,516)	(2,493,946)
Capital Assets, Net	\$ 1,036,348	\$ 983,119

Livingston Parish Communications District Livingston Parish Communications District had \$208,799 in equipment capital asset additions during the year ended December 31, 2022.

Long-Term Debt

At December 31, 2022, the District had total debt outstanding of \$795,000. Of this total, \$125,000 is due within one year and \$670,000 is due within greater than one year. The following table provides a summary of the District's outstanding debt at the end of the current year as compared to the prior year. See Note 11 to the financial statements in this report.

Outstanding Debt 2022 and 2021

	<u>Governmental</u>	
	<u>2022</u>	<u>2021</u>
Revenue Bonds Payable	\$ <u>795,000</u>	\$ <u>920,000</u>
Total Outstanding Debt	\$ <u><u>795,000</u></u>	\$ <u><u>920,000</u></u>

Other Factors Affecting the District

The Livingston Parish Communications District's management approach is conservative and prudent.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, creditors and investors with a general overview of the District's finances and show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Jamie Felder, Accountant, Livingston Parish Communications District, Post Office Box 1117, Denham Springs, LA 70727 or (225) 316-7502.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2022

	Primary
	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 1,076,558
Investments	100,000
Receivables, Net:	
Accounts	444,426
Prepaid and Other Assets	81,101
Total Current Assets	1,702,085
Restricted Assets:	
Restricted Cash and Cash Equivalents	43,431
Total Restricted Assets	43,431
Capital Assets:	
Capital Assets, Net	1,036,348
Total Capital Assets	1,036,348
Total Assets	2,781,864
Liabilities	
Current Liabilities (Payable From Current Assets):	
Accounts Payable	392,575
Accrued Interest Payable	5,830
Other Accrued Payables	14
Due to Other Governments	345,318
Total Current Liabilities (Payable From Current Assets)	743,737
Current Liabilities (Payable From Restricted Assets):	
Bonds Payable-Current Portion	125,000
Total Current Liabilities (Payable From Restricted Assets)	125,000
Long-Term Liabilities:	
Bonds Payable-Non-Current	670,000
Total Long-Term Liabilities	670,000
Total Liabilities	1,538,737
Net Position	
Net Investment in Capital Assets	235,518
Restricted for:	
Capital Projects	43,431
Unrestricted	964,178
Total Net Position	\$ 1,243,127

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

		<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Net (Expenses) Revenues</u>	<u>Governmental Activities</u>
Governmental Activities					
Public Safety - Emergency Communications	\$ 2,193,373	\$ -	\$ -	\$ (2,193,373)	\$ (2,193,373)
Bond Interest Expense	<u>20,882</u>	<u>-</u>	<u>-</u>	<u>(20,882)</u>	<u>(20,882)</u>
Total Governmental Activities	<u>2,214,255</u>	<u>-</u>	<u>-</u>	<u>(2,214,255)</u>	<u>(2,214,255)</u>
General Revenues:					
Emergency Telephone Tariffs, Net of Collection Fees					1,944,045
Prepaid Phone Fees					299,572
Interest Income					<u>1,719</u>
Total General Revenues					<u>2,245,336</u>
Change in Net Position					<u>31,081</u>
Net Position - Beginning					<u>1,212,046</u>
Net Position - Ending					<u>\$ 1,243,127</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF DECEMBER 31, 2022

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Equivalents	\$ 1,076,558	\$ -	\$ 1,076,558
Investments	100,000	-	100,000
Receivables, Net:			
Intergovernmental	15,594	-	15,594
Accounts	428,832	-	428,832
Due From Other Funds	43,431	-	43,431
Prepaid and Other Assets	81,101	-	81,101
Restricted Cash	-	43,431	43,431
Total Assets	<u>\$ 1,745,516</u>	<u>\$ 43,431</u>	<u>\$ 1,788,947</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	\$ 392,575	\$ -	\$ 392,575
Due to Other Governments	345,318	-	345,318
Other Accrued Liabilities	14	-	14
Due to Other Funds	-	43,431	43,431
Total Liabilities	<u>737,907</u>	<u>43,431</u>	<u>781,338</u>
Fund Balance:			
Nonspendable	81,101	-	81,101
Unassigned Fund Balance	926,508	-	926,508
Total Fund Balance	<u>1,007,609</u>	<u>-</u>	<u>1,007,609</u>
Total Liabilities and Fund Balances	<u>\$ 1,745,516</u>	<u>\$ 43,431</u>	<u>\$ 1,788,947</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	1,007,609
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Governmental capital assets net of depreciation		1,036,348
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:		
Bonds and notes payable		(795,000)
Accrued Interest Payable		(5,830)
Net Position of Governmental Activities (Statement A)	\$	<u><u>1,243,127</u></u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Charges (Net)			
Emergency Telephone Charges	\$ 1,964,503	\$ -	\$ 1,964,503
Prepaid Phone Fees	299,572	-	299,572
Collector Fees	(20,458)	-	(20,458)
Total Charges (Net)	2,243,617	-	2,243,617
Interest	1,719	-	1,719
Total Revenues	<u>2,245,336</u>	<u>-</u>	<u>2,245,336</u>
Expenditures			
Public Safety - Emergency Communications			
Board Per Diem and Payroll Taxes	2,463	-	2,463
Communications	72,245	-	72,245
Service Contracts	1,727,673	-	1,727,673
Insurance	24,782	-	24,782
Other operating	90,764	-	90,764
Professional Fees	98,788	-	98,788
Repairs and Maintenance	17,782	-	17,782
Supplies	3,306	-	3,306
Capital Outlays	208,799	-	208,799
Debt Service			
Principal	125,000	-	125,000
Interest	18,865	-	18,865
Total Expenditures	<u>2,390,467</u>	<u>-</u>	<u>2,390,467</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(145,131)</u>	<u>-</u>	<u>(145,131)</u>
Net Change in Fund Balances	<u>(145,131)</u>	<u>-</u>	<u>(145,131)</u>
Fund Balances, Beginning	<u>1,152,740</u>	<u>-</u>	<u>1,152,740</u>
Fund Balances, Ending	<u>\$ 1,007,609</u>	<u>\$ -</u>	<u>\$ 1,007,609</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (145,131)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	\$	208,799	
Less:			
Current year depreciation		(155,570)	53,229

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest decreased since the prior year. (2,017)

Repayment of bond principal is an expenditure in Government Funds, but the payment reduced long-term liabilities in the Government-Wide Statement of Net position

This amount represents bond principal payments during the current period.		125,000	
Change in Net Position of Governmental Activities, Statement B	\$	31,081	

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Charges (Net)				
Emergency Telephone Charges	\$ 1,900,000	\$ 1,900,000	\$ 1,964,503	\$ 64,503
Prepaid Phone Fees	344,000	300,000	299,572	(428)
Collector Fees	(20,000)	(20,000)	(20,458)	(458)
Interest Income	1,000	1,000	1,719	719
Total Revenues	<u>2,225,000</u>	<u>2,181,000</u>	<u>2,245,336</u>	<u>64,336</u>
Expenditures				
Public Safety - Emergency Communications				
Board Per Diem and Payroll Taxes	5,000	5,000	2,463	2,537
Communications and Utilities	140,000	100,000	72,245	27,755
Service Contracts	1,700,000	1,700,000	1,727,673	(27,673)
Insurance	-	-	24,782	(24,782)
Other operating	-	-	90,764	(90,764)
Professional Fees	100,000	125,000	98,788	26,212
Repairs and Maintenance	-	-	17,782	(17,782)
Supplies	150,000	150,000	3,306	146,694
Travel and Training	-	-	-	-
Capital Outlays	-	200,000	208,799	(8,799)
Debt Service				
Principal	130,000	140,000	125,000	15,000
Interest	-	-	18,865	(18,865)
Total Expenditures	<u>2,225,000</u>	<u>2,420,000</u>	<u>2,390,467</u>	<u>29,533</u>
Net Change in Fund Balances	-	(239,000)	(145,131)	93,869
Fund Balances, Beginning	<u>1,152,740</u>	<u>1,152,740</u>	<u>1,152,740</u>	-
Fund Balances, Ending	<u>\$ 1,152,740</u>	<u>\$ 913,740</u>	<u>\$ 1,007,609</u>	<u>\$ 93,869</u>

The accompanying notes are an integral part of this statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Organization, Nature of Operations, and Summary of Significant Accounting Policies -

A. Organization and Nature of Operations

The Livingston Parish Communications District (the District), was created by an ordinance of the Livingston Parish Council on September 4, 1991, pursuant to the provisions of Louisiana Statute (LSA-RS) 33:9101-9106. The District was organized to provide emergency telephone services and maintain the facilities and equipment necessary to provide those emergency telephone services (911) to residents of the entire parish of Livingston, Louisiana.

The District's board is composed of seven board members who are appointed by the Livingston Parish Council and there are no set term limits for the Board Members. Board members are compensated for meeting attendance at the rate of \$50 per meeting.

In 2003, the Livingston Parish Communications District began construction of a state-of-the-art facility to house the operation of the District. The Livingston Parish Communications District purchased a parcel of land with an existing building in Satsuma, Louisiana. The District renovated and customized the existing building to the needs and requirements of the Homeland Security Act. In November of 2004, the District began occupying the facility and started installing and configuring the telephone and computer systems. On February 3, 2005, the District began providing emergency telephone services at the new facility in Satsuma. The Livingston Parish Communications District allowed the Livingston Parish Sheriff's Office to house its Communications Department at the facility in Satsuma. The Livingston Parish Sheriff provided the necessary equipment, hardware and personnel to fully staff and operate the Sheriff's communications department. The Sheriff's Department in turn assisted with call taking and dispatching when the District had the need.

On July 1, 2012, the District contracted with the Livingston Parish Sheriff's Office (LPSO) for dispatching services. The District no longer employs dispatchers. All District employees were compensated for the accrued leave, per the policy and no additional liability exists. LPSO assumes all staffing responsibilities. The Livingston Parish Sheriff and the District have contractually agreed that the District will pay the board approved contracted percentage of the annual phone tariff revenue to LPSO for dispatching services, to be remitted quarterly. As of December 31, 2022, the District operations are located within the Livingston Parish Council courthouse building.

Pursuant to Act 1029 of the 1999 Regular Session of the Legislature, the District is authorized to establish an emergency telephone service charge of \$0.85 per wireless user per month for users of CMRS (Commercial Mobile Radio Service) who can access the 911 telephone system. The purpose of the Act is to provide a funding mechanism to cover the costs of implementing enhancements to the emergency 911 telephone system for cellular and other wireless telephone users as provided by the Federal Communication Commission in Matter #94-102. Phase I of the FCC Matter requires the implementation of necessary enhancements that will automatically provide the wireless telephone number and wireless tower location of the wireless caller to the communication district (911 communications center) when such a caller accesses the 911

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

system. Proceeds from the monies collected pursuant to Act 1029 will be used first for payment of wireless service supplier's and the District's cost associated with the implementation of enhancements required in Phase I, allowing the District to receive the telephone number of the device accessing the 911 system. Phase II, allows the District to receive the telephone number and the address registered to that number. As delineated within the Act, each district shall enter a cooperative endeavor agreement with each wireless service supplier to implement the enhancements required by FCC Matter 94-102. The District is currently in Phase II. Act 665 of the 2016 Regular Session of the Louisiana Legislature, the District is authorized to raise the rate of \$0.85 per wireless user per month for users of CMRS (Commercial Mobile Radio Service) to \$1.25 per wireless user per month for users of CMRS (Commercial Mobile Radio Service) to be able to access the emergency telephone 911 system. This resolution numbered 2016-07-001 was adopted by the District at its July 21, 2016 board meeting.

Act 665 of the 2016 Regular Session of the Louisiana Legislature also authorized the District to convert residential and business landlines from flat fees to percentages of tariffs. The wire line residential lines converted from a flat fee of \$0.77 for wire line residential lines to the amount of 5% of the present tariff rate based on the highest amount charged for basic service within the District by an exchange access service provider or equivalent, or \$1.06 per access line per month, for residential service users of fixed location wire line (i.e., landline telephone exchange service), whose address is within the boundaries of Livingston Parish. The District was authorized to convert from a flat fee of \$1.50 to the amount of a percentage of the tariff rate for business service users of fixed location wire line whose address is within the boundaries of Livingston Parish to the amount equal to 1.75% instead of the 5% as authorized to the present tariff based rate, or \$2.00 per access line per month, not to exceed collection for more than 10 lines per customer. The District shall utilize its revenues for communication enhancements which enable public safety agencies to decrease response times and improve effectiveness and for establishing, maintaining and operating the 911 emergency reporting telephone services. This resolution numbered 2016-07-002 was adopted by the District at its July 21, 2016 board meeting.

B. Financial Reporting Entity

Government Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Livingston Parish Communications District is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

C. Basis of Statement Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) of the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

D. Fund Accounting

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain governmental functions or activities.

A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The governmental funds presented in the financial statements are described as follows:

E. Financial Statement Presentation

Basic Financial Statements -Government-Wide Financial Statements (GWFS)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District does not have any business-type activities and reports only governmental activities. The District has no component units.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

During the year ended December 31, 2012, the District also adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Basic Financial Statements – Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

Separate financial statements are provided for governmental funds and proprietary funds. All individual funds are reported in separate columns in the fund financial statement.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

The governmental funds uses the following practices in recording revenues and expenditures:

Revenues

Telephone tariffs are recorded in the year the fees are charged. Telephone tariffs are charged monthly to the customer's telephone bill by various telephone companies. The telephone companies remit the collections to the Livingston Parish Communications District in the subsequent month. Interest revenue represents amounts earned on checking accounts and certificates of deposit invested with financial institutions. Interest earned on checking accounts is recorded when received. Interest earned on certificates of deposit is recorded when the certificates mature and the interest is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are accounted for as other financing sources and are recognized when received. Transfers between funds that are not expected to be repaid (and any other financing source / use) are accounted for as other financing sources (uses).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental Fund Types

The District reports the following major governmental funds:

General Fund

The General Fund is the District's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. For the year ended December 31, 2022, the District reported the following capital project fund (1) Call Center Buildout for the District operations. This project was completed as of December 31, 2017.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

F. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

In accordance with state law, the District limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair market value

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as "internal balances."

Telephone service fees are recorded in the year the fees are charged. Telephone service fees are charged monthly to the customer's telephone bill by various telephone companies. The telephone companies remit the collections to the District in the subsequent month.

H. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The District did not have any inventory at December 31, 2022. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Restricted Assets

Certain amounts shown as governmental restricted assets are to be used for specified purposes, such as servicing general obligation bond debt, and construction of capital assets. Such assets have been restricted by bond indenture, law, or contractual obligations.

J. Capital Assets

Capital assets, which include property, equipment, and vehicles, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,500 or more for capitalizing capital assets.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Equipment	5 Years
Vehicles	5 Years

K. Deferred Outflows and Inflows of Resources

The statement of net position reports a separate section for deferred outflows and (or) inflows of financial resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represents an acquisition of a net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The District did not have any deferred outflows or deferred inflows of resources at December 31, 2022.

L. Compensated Absences

The District has no employees and no compensated absences liability.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, were revised. This standard was intended to compliment GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65. The District incurred \$22,700 in bond issuance costs related to the Series 2016 Revenue bond in the year ending December 31, 2016.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, requires classification of net position, the difference between the District's assets, deferred outflows of resources, and liabilities, into three components, as described below:

- **Net Investment in Capital Assets Component of Net Position** - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

O. Fund Balance

In the fund statements, governmental fund equity is classified as fund balance. The District adopted GASB 54 for the year ended December 31, 2011. As such, fund balances of the governmental funds are classified as follows:

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the District.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

When restricted, committed, assigned, or unassigned fund balances are available for use, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

P. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

R. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount 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 reported period. Actual results could differ from those estimates.

S. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability -

The Communication District prepares its budget on the modified accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The budget is legally adopted and amended, as necessary by the board of commissioners. The annual budget was amended for the fiscal year 2022. A summary of the budget practices of the District is as follows:

1. The District's finance director prepares the annual budget and submits the proposed budget to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year. The budgets for the fiscal year 2022 were presented to the Board of Commissioners in December, prior to the beginning of the year of which the budget applies.
2. A summary of the proposed budget is published in the official journal and the public notified that the proposed budget is available for public inspection at the Parish President / Council's office in Livingston. At the time the proposed budget is published, a public hearing is called. The proposed budget was published in December, prior to the beginning of the year of which the budget applies.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and taking all action necessary to finalize and implement the budget for the ensuing fiscal year, the proposed budget is formally adopted by the Board of Commissioners.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

All expenditure appropriations lapse at year end. Unexpected appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

There were no material variances in actual revenues and other sources under budgeted revenues and other sources or actual expenditures and other sources over budgeted amounts for the year ended December 31, 2022, that would have resulted in a violation of the Local Government Budget Act.

3. Cash and Cash Equivalents -

At December 31, 2022, the District has cash and cash equivalents (book balances) as follows:

Demand Deposits	\$ 43,431
Demand Deposits-Interest Bearing	991,007
Louisiana Asset Management Pool	55,873
Time and Savings	<u>29,678</u>
Total Cash and Cash Equivalents	<u>1,119,989</u>
Certificates of Deposit Held as Investments (See Note 4)	<u>100,000</u>
Total Deposits	<u>\$ 1,219,989</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2022 the District has \$1,172,789 in deposits (collected bank balances) other than LAMP, consisting of \$1,043,112 in demand deposits, \$29,678 in time and savings deposits and \$100,000 in certificates of deposits held as investments (See Note 4). \$1,129,358 of the demand deposits, time and savings deposits, and certificates of deposits held at one bank are secured from risk by federal deposit insurance of \$250,000 and pledged securities of \$879,358. The \$879,358 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The \$43,431 demand deposits held at bank two are secured from risk by federal deposit insurance of \$250,000.

Even though the pledged securities may be considered uncollateralized (Category 3) 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 District that the fiscal agent has failed to pay deposited funds upon demand.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial risk. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Also included within the definition of cash and cash equivalents are LAMP investments of \$55,873, since funds within LAMP are redeemable by the District as needed.

In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2022, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 52 days as of December 31, 2022.
5. Foreign currency risk: Not applicable.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

4. Investments -

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name

At December 31, 2022, the District's investment balances were as follows:

	Carrying Amount	Fair Market Value
Certificates of Deposit with original maturities greater than 90 days	\$ <u>100,000</u>	\$ <u>100,000</u>

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

5. Receivables -

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. All receivables as of December 31, 2022 are current.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

Included within the total of \$444,426 for the District is a class of receivables for telephone tariffs due at December 31, 2022 in the amount of \$428,832. These receivables have been stated net of a one percent collection charge from the telephone companies for acting as an agent for the District in collecting the telephone tariffs from the end users.

6. Interfund Receivables/Payables -

The following is a detailed list of inter-fund balances reported in the fund financial statements on December 31, 2022:

Interfund Balances	<u>Due From</u>	<u>Due To</u>
	<u>Other Funds</u>	<u>Other Funds</u>
General Fund		
Capital Projects Fund	\$ 43,431	\$ -
Capital Projects Fund		
General Fund	<u>-</u>	<u>43,431</u>
Total Interfund Balances	<u>\$ 43,431</u>	<u>\$ 43,431</u>

The balance due between funds represents construction costs paid by the general fund and due from the capital projects fund at December 31, 2022.

7. Restricted Assets -

Restricted assets at December 31, 2022 were as follows:

	<u>Capital Projects</u>
	<u>Fund</u>
Restricted Cash and Cash Equivalents	
Construction Account	\$ <u>43,431</u>
Total Restricted Assets	\$ <u><u>43,431</u></u>

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

8. Capital Assets -

Capital assets and depreciation activity as of and for the year ended December 31, 2022 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	974,286	-	-	974,286
Equipment	2,502,779	208,799	-	2,711,578
Total Capital Assets Being Depreciated	<u>3,477,065</u>	<u>208,799</u>	<u>-</u>	<u>3,685,864</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	255,076	2,623	-	257,699
Equipment	2,238,870	152,947	-	2,391,817
Total Accumulated Depreciation	<u>2,493,946</u>	<u>155,570</u>	<u>-</u>	<u>2,649,516</u>
Total Capital Assets Being Depreciated, Net	<u>983,119</u>	<u>53,229</u>	<u>-</u>	<u>1,036,348</u>
Total Governmental Activities Capital Assets, Net	\$ 983,119	\$ 53,229	\$ -	\$ 1,036,348

Depreciation was charged to governmental functions as follows:

Public Safety - Emergency Communications	\$ <u>155,570</u>
--	-------------------

The District had \$208,799 in equipment capital asset additions during the year ended December 31, 2022. Depreciation expense for December 31, 2022 was \$155,570.

9. Interfund Transfers -

There were no interfund transfers for 2022.

10. Accounts and Other Payables -

The Governmental Funds payable at December 31, 2022 are as follows:

Governmental Funds Payable	General Fund	Capital Projects Fund	Total Governmental Funds
Accounts Payable	\$ 392,575	\$ -	\$ 392,575
Due to Other Governments	345,318	-	345,318
Other Accrued Liabilities	<u>14</u>	<u>-</u>	<u>14</u>
Total Governmental Funds Payable	\$ 737,907	\$ -	\$ 737,907

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

11. Long-Term Obligations -

The following is a summary of long-term obligation transactions for the year ended December 31, 2022:

	Governmental Activities
	Revenue Bonds
Beginning Balance	\$ 920,000
Additions	-
Deletions	125,000
Ending Balance	\$ 795,000

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	Governmental Activities
	Revenue Bonds
Current Portion	\$ 125,000
Long-Term Portion	670,000
	\$ 795,000

Long-term debt as of December 31, 2022 is as follows:

	Bonds Payable End of Year	Due Within One Year
Revenue Bonds, Series 2016, \$1,500,000, Dated Interest at 2.20% semi-annual installments of interest and maturing annually in amounts ranging from \$115,000 in 2019 to \$140,000 through 3/1/2028	\$ 795,000	\$ 125,000

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

The annual requirements to amortize all debt outstanding at December 31, 2022, are presented below.

Year Ending 12/31/22	Series 2016 Revenue Bonds \$1,500,000		Total
	Principal	Interest	
1	\$ 125,000	\$ 16,115	\$ 141,115
2	130,000	13,310	143,310
3	130,000	10,450	140,450
4	135,000	7,535	142,535
5 to 7	275,000	6,105	281,105
	\$ 795,000	\$ 53,515	\$ 848,515

12. Flow of Funds, Restrictions on Use - Revenue Bonds -

During 2016, the District issued \$1,500,000 in Revenue Bonds, Series 2016 for the renovation of a portion of the Livingston Parish Courthouse to provide offices for the Livingston Parish Communications District, including all necessary furnishings and equipment and to pay the costs incurred in connection with the issuance of the bonds. The bonds shall be special obligations of the District payable solely from and secured by an irrevocable pledge and dedication of all available revenues of the District (pledged revenues), all in accordance with and pursuant to the provision of Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended. The bonds shall be in fully registered form, shall be dated the date of delivery thereof and shall be issued in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, numbered R-1 upwards. The unpaid principal of the bonds shall bear interest from the date thereof or from the most recent interest payment date to which interest has been paid, said interest being payable semiannually on March 1 and September 1 of each year, commencing September 1, 2016, at the rate of 2.20% per annum. The principal on the bond shall mature in annual installments on March 1 of each year.

The proceeds from the sale of the bonds \$1,500,000 was deposited into a special fund to be known as Livingston Parish Communications District Revenue Bonds, Series 2016, Construction Fund. Said Construction Fund to be hereby created and established.

Installments of principal of the bonds maturing on and after March 1, 2018 are subject to optional prepayment prior to maturity, at the option of the Issuer, in whole or in part on any date on and after September 1, 2017, from monies made available for such redemption, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon payable upon redemption, without premium or penalty.

Revenues of the District for the year ending December 31, 2022 were \$2,245,335, while interest payments were \$18,865. There were bond principal payments of \$125,000 made during the fiscal year ended December 31, 2022.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

13. Fund Balances -

At December 31, 2022, the General Fund has a committed fund balance of \$-0-. The General Fund also has a nonspendable fund balance of \$81,101 created from prepaid expenses. The remaining \$431,458 of the fund balance was unassigned.

At December 31, 2022, the Capital Projects Fund did not have a fund balance as of December 31, 2022 due to completion of the renovation project in 2017. The liabilities as of December 31, 2022 consists of \$43,431 due to the District's general fund for construction costs paid by the general fund.

14. Commitments -

There were no commitments as of December 31, 2022.

15. Intergovernmental Agreement -

On July 1, 2012, the District contracted with the Livingston Parish Sheriff's Office (LPSO) for dispatching services for a two-year period ending June 30, 2014. On June 9, 2014, this agreement was renewed for another year ending on June 30, 2015. This agreement was again renewed June 19, 2018 retroactively to July 1, 2015 with a term ending June 30, 2019. On October 8, 2019 the District renewed the contract with LPSO until June 30, 2022. The agreement stated that it shall automatically renew for an additional two year period ending June, 2023 as long as there is no objection between Livingston Parish Communication District 911 and Jason Ard, Sheriff of Livingston Parish. In the renewed agreement, the Sheriff agreed to continue to provide call service operators for the District under the same terms, conditions, and obligations. The District agreed to pay to the Sheriff a percentage of the revenues for this service. The District no longer has employees as a result of the intergovernmental agreement. LPSO assumed all staffing responsibilities. The Livingston Parish Sheriff and the District have contractually agreed that the District will pay 70% of the annual phone tariff revenue to LPSO for dispatching services, to be remitted quarterly.

In April 2021, the District approved an increase in the percentage paid to LPSO to 80%. The new rate was approved to cover the cost of adding four new dispatchers. The percentage paid to LPSO will transition to 80% when the District hires the four new dispatcher positions, which have not been filled as of December 31, 2022.

16. Risk Management -

The District is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The District purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The District's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022

17. Contingent Liabilities -

At December 31, 2022, the District was not involved in any outstanding litigation or claims.

18. Current Adoption of New Accounting Standards -

The following statements of the Governmental Accounting Standards Board (GASB) are effective for the District's 2022 fiscal year. The District has adopted and implemented this statement in the preparation of the financial statements for the year ended December 31, 2022:

During the year, the District adopted GASB Statement No. 87, *Leases*. This new accounting standard had no material effect on the District's financial statements.

19. Current Accounting Pronouncements -

The following statements of the Governmental Accounting Standards Board will be effective for years subsequent to the District's fiscal year 2022.

1. Statement No. 91 - *Conduit Debt Obligations (2023)*
2. Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (2023)*
3. Statement No. 96 - *Subscription-Based Information Technology Arrangements (2023)*

Management is currently evaluating the effects of the new GASB pronouncements.

20. Subsequent Events -

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 29, 2023, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS

FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Name</u>	<u>Compensation Received</u>
Jason Ard	\$ 250
Fred Banks	400
Kelly Jennings	150
Melvin Wheat	300
Joey Sibley	350
Melvin Wild	400
James Wascom	400
	<u>\$ 2,250</u>

See independent auditor's report.

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head Name: Jason Ard, Chairman

Purpose	Amount
Board Per Diem	\$ 250
Employer Paid Payroll Taxes	19
	\$ 269

See independent auditor's report.

LIVINGSTON PRISH COMMUNICATIONS DISTRICT

SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH LA R.S. 33:9109E

FOR THE YEAR ENDING DECEMBER 31, 2022

Louisiana Revised Statutes 33:9101 through 9131 authorize the governing authority of a communications district to levy an emergency telephone charge on certain wireless communications systems to pay the costs of implementing Federal Communications Commission (FCC) ordered enhancements to emergency telephone systems.

The following schedule lists the total revenues derived from the wireless E911 service charges and the expenditures for equipment for each year

Revenues	
Wireless E911 Fees	\$1,674,720
Expenditures	
Equipment Purchases	\$ 208,799

As of December 31, 2022, the Livingston Parish Communications District was in Phase 2 of the Federal Communications Commission's three phase plan for local emergency telephone service providers. The FCC's program objectives for emergency telephone service providers call for upgrading services to better serve users of those systems. When implementation of the FCC program is complete, an emergency telephone system would be able to give the dispatcher the telephone number of the caller, address of the caller and geographic location of the caller. At Phase 0, the system provides the caller's telephone number. At Phase 1, the system provides the caller's telephone number and address registered to that telephone number. At Phase 2, the system provides the caller's telephone number, address registered to that number and the present geographic location of the caller.

At December 31, 2022, AT&T Wireless, Verizon, and T-Mobile were Phase 2 compliant.

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT
OF THE COMPONENT UNIT FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Livingston Parish Communications District
Livingston Parish Council
Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each the major fund, and aggregate remaining fund information of the Livingston Parish Communications District, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Parish Communications District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston Parish Communications District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Livingston Parish Communications District 's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 29, 2023

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2022

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weaknesses identified?

_____ Yes x No

• Significant deficiencies identified?

_____ Yes x None reported

Noncompliance material to financial statements noted?

_____ Yes x No

B. Internal Control Over Financial Reporting

None

C. Compliance and Other Matters

None

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

A. Internal Control Over Financial Reporting

None

B. Compliance and Other Matters

None

LIVINGSTON PARISH COMMUNICATIONS DISTRICT

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

DECEMBER 31, 2022



Baton Rouge | Denham Springs | New Orleans | Hammond
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Independent Accountant's Report
on Applying Agreed-Upon Procedures

To The Board of Commissioners
Livingston Parish Communications District
Denham Springs, Louisiana

To the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the controls and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget. – **No exceptions.**
 - b) **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes. – **No exceptions.**
 - c) **Disbursements**, including processing, reviewing, and approving. – **No exceptions.**

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). – **No exceptions.**
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Note: The District does not have any employees.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process. – **No exceptions.**
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No exceptions.**
- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases). – **No exceptions.**
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Exception – The District has written policies and procedures on ethics; however, they do not specifically address (2) actions to be taken if an ethics violation takes place, and (3) system to monitor possible ethics violations.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. – **No exceptions.**
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exception – The District does have a written policy and procedure for information technology disaster recovery/business continuity; however, the District's policy and procedures do not specially address (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting. – **No exceptions.**

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document. – **No exceptions.**
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. – **No exceptions.**
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund. – **No exceptions.**
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved. – **No exceptions.**

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged); – **No exceptions.**
 - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and – **No exceptions.**
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable. – **No exceptions.**

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5). – **No exceptions.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers; – **The District does not have any cash drawers/registers and does not collect any actual cash. All payments received are via electronic funds transfer or check.**
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
Exception – The District's accountant responsible for collecting cash is responsible for preparing/making deposits; however, the compensating control is that a board member reviews and signs off on a monthly financial reporting package that includes the bank reconciliations, bank statements, a disbursements listing, new vendors added, and financial reports.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
Exception – The District's accountant responsible for collecting cash is responsible for posting collection entries to the general ledger and for reconciling ledger postings; however, the compensating control is that a board member reviews and signs off on a monthly financial reporting package that includes the bank reconciliations, bank statements, a disbursements listing, new vendors added, and financial reports.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation. – **No exceptions.**
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period. – **No exceptions.**
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered. – **No exceptions.**
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. – **No exceptions.**
 - c) Trace the deposit slip total to the actual deposit per the bank statement. – **No exceptions.**
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer). – **No exceptions.**
 - e) Trace the actual deposit per the bank statement to the general ledger. – **No exceptions.**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). – **No exceptions.**
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase; – **No exceptions.**
 - b) At least two employees are involved in processing and approving payments to vendors; – **No exceptions.**
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files; – **No exceptions.**
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and – **No exceptions.**
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means. – **No exceptions.**

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity. – **No exceptions.**
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable. – **No exceptions.**
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements. – **No exceptions.**

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. - **There were no active credit cards, bank debit cards, fuel cards, and P-cards during the current fiscal period.**
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and – **See note above. Not applicable.**
 - b) Observe that finance charges and late fees were not assessed on the selected statements. – **See note above. Not applicable.**
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. – **See note above. Not applicable.**

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected: - **There were no travel and travel related expense reimbursements during the current fiscal period.**
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov); – **See above note. Not applicable.**
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased; – **See above note. Not applicable.**
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g); and – **See above note. Not applicable.**

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. – **See above note. Not applicable.**

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law; – **No exceptions.**
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter); – **No exceptions.**
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented); and – **No exceptions.**
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract. – **No exceptions.**

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files. – **The District does not have any employees. The District does pay per diem to board members.**
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or official documented their daily attendance and leave (e.g., vacation, sick, compensatory); – **No exceptions.**
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials; – **See note above. Not applicable.**
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and – **See note above. Not applicable.**
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file. – **No exceptions.**
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy. – **See note above. Not applicable.**

20. Obtain management’s representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers’ compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines. – **No exceptions.**

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and – **No exceptions.**
 - b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable. – **No exceptions.**
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Exception – The agency has not appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution. – **No debt was issued during current fiscal period.**
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants). – **No exceptions.**

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523. – **There were no misappropriations of public funds or of assets noted during the fiscal period.**
26. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. – **No exceptions.**

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted. – **We performed the procedure and discussed the results with management.**
 - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months. – **We performed the procedure and discussed the results with management.**
 - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor. – **We performed the procedure and discussed the results with management.**
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network. – **No exceptions.**

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343. – **No exceptions.**
30. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website). – **No exceptions.**
31. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: – **No exceptions.**
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Management’s Response/Corrective Action to Exceptions

The District’s response to the exception identified in our performance of the SAUPs is attached. The District’s response was not subjected to any procedures applied in the SAUPs and, accordingly, we express no opinion or any assurance on it.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Respectfully submitted,
Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
June 29, 2023

LIVINGSTON PARISH COMMUNICATIONS DISTRICT
PO Box 1117
Denham Springs, La 70727

Management's Response to 12/31/2022 Statewide Agreed-upon Procedures:

1. Written Policies and Procedures – Ethics (1i): All persons required to have ethics training are members of the board and normally employees of another governmental entity. In the future the policy will include a requirement that all board members and others be required to provide proof of ethics training.
2. Written Policies and Procedures – Information Technology Disaster Recovery/Business Continuity (1k): The policy will be modified to reflect the ID of critical data, use of antivirus software, timely application of software updates and patches and identification of personnel, processes and tools to recover operations after a critical event.
3. Collections (4b): The District does not collect cash. All receipts are either by ACH or remitted by check. All other compensating controls are in effect monthly. There is only one contractor working in the accounting function and all possible controls are in place and have been working adequately.
4. Collections (4c): The District does not collect cash. All receipts are either by ACH or remitted by check. All other compensating controls are in effect monthly. There is only one contractor working in the accounting function and all possible controls are in place and have been working adequately.
5. Ethics (22): The board will appoint an ethics liaison.

Signature: _____



Title: Jason Ard, Chairman