

00 000 2 011 : 36

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

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

Release Date 7-21-99

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	3
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) Basis and Actual - General Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) Basis and Actual - Special Revenue Fund	5
NOTES TO FINANCIAL STATEMENTS	6-11
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	12-13

WILLIAM R. HULSEY
CERTIFIED PUBLIC ACCOUNTANT
2117 FORSYTHE AVENUE
MONROE, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MAILING ADDRESS
P. O. BOX 2253
MONROE, LOUISIANA 71207
(318) 362-9900
FAX (318) 362-9993

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lincoln Parish Communications District
Ruston, Louisiana

I have audited the accompanying general purpose financial statements of the Lincoln Parish Communications District as of and for the year ended December 31, 1998, as listed on the contents page. These general purpose financial statements are the responsibility of the Communication District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Lincoln Parish Communications District as of December 31, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

WILLIAM R. HULSEY
Certified Public Accountant



May 28, 1999

THIS PAGE IS INTENTIONALLY LEFT BLANK

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>General Fixed Assets Account Group</u>	<u>Totals (Memo- randum Only)</u>
Assets:				
Cash and cash equivalents (Note 1)	\$ 143,012	\$ 216,490	\$ -	\$ 359,502
Investments	-	274,336	-	274,336
Receivables (User fees)	15,384	-	-	15,384
Prepaid expense	-	-	-	-
General fixed assets	<u>-</u>	<u>-</u>	<u>90,313</u>	<u>90,313</u>
TOTAL ASSETS	<u>\$ 158,396</u>	<u>\$ 490,826</u>	<u>\$ 90,313</u>	<u>\$ 739,535</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	<u>\$ 3,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,999</u>
Total liabilities	<u>3,999</u>	<u>-</u>	<u>-</u>	<u>3,999</u>
Fund Equity:				
Fund balances:				
Investment in general fixed assets	-	-	90,313	90,313
Reserve for equipment replacement	-	490,826	-	490,826
Unreserved:				
Undesignated	<u>154,397</u>	<u>-</u>	<u>-</u>	<u>154,397</u>
Total fund equity	<u>154,397</u>	<u>490,826</u>	<u>90,313</u>	<u>735,536</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 158,396</u>	<u>\$ 490,826</u>	<u>\$ 90,313</u>	<u>\$ 739,535</u>

The accompanying notes to financial statements are an integral part of these statements.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Totals (Memo- randum Only)</u>
Revenues:			
User fees	\$ 180,748	\$ -	\$ 180,748
Interest	<u>8,075</u>	<u>17,061</u>	<u>25,136</u>
Total revenues	<u>188,823</u>	<u>17,061</u>	<u>205,884</u>
Expenditures:			
Public safety:			
Professional services	22,759	-	22,759
Office and postage	560	-	560
Telephone	75,123	-	75,123
GIS Mapping	20,000	-	20,000
Equipment maintenance	9,000	-	9,000
Capital outlay	<u>720</u>	<u>-</u>	<u>720</u>
Total expenditures	<u>128,162</u>	<u>-</u>	<u>128,162</u>
Excess (deficiency) of revenues over expenditures	<u>60,661</u>	<u>17,061</u>	<u>77,722</u>
Other financing sources (uses):			
Operating transfers in	-	54,500	54,500
Operating transfers out	<u>(54,500)</u>	<u>-</u>	<u>(54,500)</u>
Total other financing sources (uses)	<u>(54,500)</u>	<u>54,500</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,161	71,561	77,722
Fund balance, beginning	148,236	419,265	567,501
Prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 154,397</u>	<u>\$ 490,826</u>	<u>\$ 645,223</u>

The accompanying notes to financial statements are an integral
part of these statements.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
User fees	\$ 178,500	\$ 180,748	\$ 2,248
Interest	<u>7,500</u>	<u>8,075</u>	<u>575</u>
Total revenues	<u>186,000</u>	<u>188,823</u>	<u>2,823</u>
Expenditures:			
Public Safety:			
Professional services	22,800	22,759	41
Office and postage	2,000	560	1,440
Telephone	75,200	75,123	77
GIS mapping	20,000	20,000	-
Equipment maintenance	9,500	9,000	500
Capital outlay	<u>2,000</u>	<u>720</u>	<u>1,280</u>
Total expenditures	<u>131,500</u>	<u>128,162</u>	<u>3,338</u>
Excess of revenues over expenditures	<u>54,500</u>	<u>60,661</u>	<u>6,161</u>
Other financing sources (uses):			
Operating transfers out	<u>(54,500)</u>	<u>(54,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(54,500)</u>	<u>(54,500)</u>	<u>-</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	<u>\$ -</u>	6,161	<u>\$ 6,161</u>
Fund balance, beginning		<u>148,236</u>	
Fund balance - ending		<u>\$ 154,397</u>	

The accompanying notes to financial statements are an integral
part of these statements.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$ <u>20,000</u>	\$ <u>17,061</u>	\$ (<u>2,939</u>)
Expenditures:			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>20,000</u>	<u>17,061</u>	<u>(2,939)</u>
Other financing sources (uses):			
Operating transfers in	<u>54,500</u>	<u>54,500</u>	<u>-</u>
Total other financing sources (uses)	<u>54,500</u>	<u>54,500</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	\$ <u>74,500</u>	71,561	\$ (<u>2,939</u>)
Fund balance, beginning		419,265	
Prior period adjustment		<u>-</u>	
Fund balance, ending		\$ <u>490,826</u>	

The accompanying notes to financial statements are an integral
part of these statements.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Parish Communications District (the "District") was created by Ordinance 85-88-(2) adopted by the Police Jury of Lincoln Parish on August 23, 1988. The governing body of the District consists of a seven member Board of Commissioners.

The accounting policies of Lincoln Parish Communications District conform to generally accepted accounting principles as applicable to governments.

The following is a summary of the more significant policies:

Financial Reporting Entity

This report includes the funds and account group which are controlled by the Board of Commissioners. The accompanying financial statements are intended to present the financial position and results of operations of only the transactions of the District.

Fund Accounting

The accounts of the Lincoln Parish Communications District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund and account group presented in the financial statements are described as follows:

Governmental Fund Types

General Fund

The General Fund is the general operating fund for the Lincoln Parish Communications District. It is used to account for all financial sources and uses of the Communications District, except those required to be accounted for in other funds.

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Fund (Continued)

The equipment replacement fund was established in 1994 to account for funds to replace equipment.

Fixed Assets

The fixed assets used in governmental fund type operations of the District are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if historical is not available.

The account group is not a "fund." Its purpose is to measure financial position, not results of operations.

Memorandum Only - Total Columns

The total column on the Combined Statement is captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The records of the Lincoln Parish Communications District are accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The budget for the General Fund is proposed by the Director and formally adopted by the Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgetary amendments involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Commissioners. At year end, all appropriations lapse.

Encumbrances

Encumbrance accounting, whereby outstanding purchase commitments are recorded, is not employed by the District.

Cash and Cash Equivalents

Louisiana statutes permit the District to invest in United States' bonds, treasury notes, or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

The District's policy is to include short-term interest bearing deposits with a maturity of three months or less as cash in the financial statements.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value - the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the bank as of that date.

Interfund Receivables and Payables

Due To and From Other Funds

Interfund receivables and payables arising from interfund transactions that are to be repaid in the next accounting cycle are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables are not eliminated on the combined balance sheet.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Quasi-external transactions are accounted for as revenue and expenditures. Transactions that constitute reimbursements to a fund are recorded as expenditures in the reimbursing fund and as reduction of expenditures in the fund that is reimbursed. All other interfund transactions that are not to be repaid are recorded as transfers.

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS

At year end, the carrying amount (book amount) of the Communications District's deposits was \$359,502, while the bank balance was \$368,865. The bank balance is categorized as follows:

Amount insured by FDIC	\$ 100,000
Amount collateralized with securities held by the pledging financial institution's agent in the Communications District's name	<u>503,516</u>
Total bank balance	\$ 603,516

NOTE 3 - INVESTMENTS

Investing is performed in accordance with investment policies complying with state statutes and the District's charter. The investments of the District are categorized to give an indication of the level of risk assumed by the District at December 31, 1998. The categories are described as follows:

- Category 1 - Insured or registered, with securities held by the entity or its agents in the entity's name.
- Category 2 - Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the entity's name.
- Category 3 - Uninsured and unregistered, with securities held by the counter-party, in its trust department in the entity's name.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 3 - INVESTMENTS (Continued)

Investments categorized by level of risk, are:

Types of Investments	Category			Carrying Amount	Fair Value
	1	2	3		
Mortgage Backed Securities	\$ 29,157	\$ -	\$ -	\$ 29,157	\$ 29,084
U.S. Government Securities	<u>245,179</u>	<u>-</u>	<u>-</u>	<u>245,179</u>	<u>247,221</u>
Total investments	<u>\$ 274,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,336</u>	<u>\$ 276,305</u>

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group is as follows:

	Balance December 31, <u>1997</u>	<u>Additions</u>	Balance December 31, <u>1998</u>
Computers and accessories	\$ 19,724	\$ -	\$ 19,724
Communications equipment	69,503	720	70,223
Miscellaneous office equipment	<u>366</u>	<u>-</u>	<u>366</u>
Total	<u>\$ 89,593</u>	<u>\$ 720</u>	<u>\$ 90,313</u>

NOTE 5 - LITIGATION

According to the Parish District Attorney, the District had no pending or threatened litigation as of December 31, 1998.

NOTE 6 - COMPENSATION FOR THE COMMISSION

The members of the Commission for the Lincoln Parish Communications District receive no compensation.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 7 - FEDERALLY ASSISTED PROGRAMS

The Lincoln Parish Communications District has no federally financial assisted programs, therefore, no schedule of federally assisted program activity has been presented in accordance with the Office of Management and Budget Circular A-133, Audits of State and Local Governments.

NOTE 8 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 1998, there were no governmental funds that had variances of greater than 5.0%.

NOTE 9 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

The members of the Board for the Communications District receive no compensation.

NOTE 10 - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

Lincoln Parish Communication District has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting operations. All of these systems have been assessed, remediated, and tested and validated.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Lincoln Parish Communication District's remediation efforts will be successful in whole or in part, or that parties with whom the Lincoln Parish Communication District does business will be year 2000 ready.

WILLIAM R. HULSEY
CERTIFIED PUBLIC ACCOUNTANT
2117 FORSYTHE AVENUE
MONROE, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MAILING ADDRESS
P. O. BOX 2253
MONROE, LOUISIANA 71207
(318) 362-9900
FAX (318) 362-9993

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

Board of Commissioners
Lincoln Parish Communications District
Ruston, Louisiana

I have audited the financial statements of Lincoln Parish Communications District, as of and for the year ended December 31, 1998, and have issued my report thereon dated May 28, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

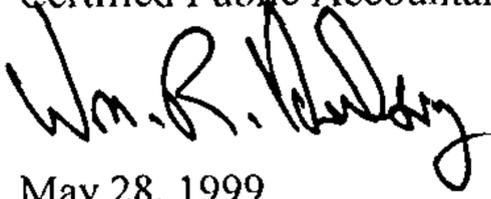
As part of obtaining reasonable assurance about whether Lincoln Parish Communications District financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Lincoln Parish Communications District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners, the Lincoln Parish Police Jury, and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

WILLIAM R. HULSEY
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Wm. R. Hulsey", written in a cursive style.

May 28, 1999