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LAFAYETTE PARISH
COMMUNICATION DISTRICT
ANNUAL FINANCIAL REPORT

OCTOBER 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 APR 7 1999

LAFAYETTE PARISH COMMUNICATION DISTRICT

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INDEPENDENT AUDITORS' REPORT

* A PROFESSIONAL CORPORATION

To the Board of Commissioners
Lafayette Parish Communication District
Lafayette, Louisiana

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of Lafayette Parish Communication District, as of October 31, 1998, and for the year then ended. These financial statements are the responsibility of the Lafayette Parish Communication District management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. Lafayette Parish Communication District has included such disclosures in Note L. 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. Accordingly, insufficient audit evidence exists to support Lafayette Parish Communication District's disclosures with respect to the year 2000 issue made in Note L. Further, we do not provide assurance that Lafayette Parish Communication District is or will be year 2000 ready, that Lafayette Parish Communication District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which Lafayette Parish Communication District does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general-purpose financial statements referred above present fairly, in all material respects, the financial position of Lafayette Parish Communication District, as of October 31, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

WMDDH

In accordance with Government Auditing Standards, we have also issued our report dated January 12, 1999, on our consideration of the Lafayette Parish Communication District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Wright, Moore, DeHart,
Dupuis, & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON
Lafayette, Louisiana

January 12, 1999

LAFAYETTE PARISH COMMUNICATION DISTRICT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 OCTOBER 31, 1998
 WITH COMPARATIVE TOTALS AS OF OCTOBER 31, 1997

	GOVERNMENTAL	PROPRIETARY	ACCOUNT GROUPS		TOTALS	
	<u>FUND TYPE</u>	<u>FUND TYPE</u>	GENERAL	GENERAL	<u>MEMORANDUM</u>	<u>ONLY</u>
	SPECIAL		FIXED	LONG-TERM	1998	1997
	<u>REVENUE</u>	<u>ENTERPRISE</u>	<u>ASSETS</u>	<u>DEBT</u>		
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts Payable	\$ 7,241	\$ 47,212	\$ -	\$ -	\$ 54,453	\$ 7,972
Salaries Payable	2,954	18,564	-	-	21,518	20,253
Lease Payments Due in One Year	-	163,995	-	-	163,995	155,239
Deferred Revenue	32,699	-	-	-	32,699	27,028
Due to City/Parish of Lafayette	31,581	-	-	-	31,581	22,865
Due to Office of Emergency Preparedness Fund	-	42	-	-	42	-
Capital Lease Obligations	-	753,837	-	-	753,837	917,832
Accrued Interest Payable	-	51,766	-	-	51,766	-
Accrued Compensated Absences	-	11,513	-	3,499	15,012	11,133
TOTAL LIABILITIES	<u>74,475</u>	<u>1,046,929</u>	<u>-</u>	<u>3,499</u>	<u>1,124,903</u>	<u>1,162,322</u>
FUND EQUITY						
Investment in General Fixed Assets	-	-	267,739	-	267,739	256,292
Retained Earnings - Unreserved	-	2,888,450	-	-	2,888,450	2,532,780
TOTAL FUND EQUITY	<u>-</u>	<u>2,888,450</u>	<u>267,739</u>	<u>-</u>	<u>3,156,189</u>	<u>2,789,072</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$74,475</u>	<u>\$3,935,379</u>	<u>\$267,739</u>	<u>\$ 3,499</u>	<u>\$4,281,092</u>	<u>\$3,951,394</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED OCTOBER 31, 1998
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED OCTOBER 31, 1997

	COMMUNICATION SYSTEM MANAGEMENT	OFFICE OF EMERGENCY PREPAREDNESS	TOTALS <u>MEMORANDUM ONLY</u>	
			1998	1997
REVENUE				
State of Louisiana	\$ -	\$ 32,842	\$ 32,842	\$ 46,491
City/Parish of Lafayette Appropriation	112,514	124,000	236,514	227,397
Interest Earnings	3,820	2,909	6,729	5,813
Miscellaneous Revenues	<u>-</u>	<u>6</u>	<u>6</u>	<u>22</u>
Total Revenue	<u>116,334</u>	<u>159,757</u>	<u>276,091</u>	<u>279,723</u>
EXPENDITURES				
Current:				
Dues and Licenses	113	249	362	443
Duplicating Expense	46	220	266	365
Insurance	-	15,528	15,528	13,721
Interest	-	20	20	32
Miscellaneous	-	1,774	1,774	1,129
Postage	-	146	146	199
Printing	-	-	-	72
Professional Fees	645	998	1,643	1,573
Publication and Recordings	306	456	762	55
Repairs and Maintenance	60,526	6,169	66,695	74,356
Retirement and Medicare	-	6,232	6,232	5,946
Salaries	-	79,028	79,028	77,037
Supplies and Materials	2,037	5,634	7,671	8,302
Telecommunications	13,985	13,678	27,663	26,017
Tower Rentals	14,184	-	14,184	14,184
Training	-	1,812	1,812	1,588
Transportation	-	3,789	3,789	3,461
Travel and Meetings	889	125	1,014	18
Utilities	4,474	-	4,474	4,553
Capital Outlay: Equipment	<u>-</u>	<u>11,447</u>	<u>11,447</u>	<u>23,807</u>
Total Expenditures	<u>97,205</u>	<u>147,305</u>	<u>244,510</u>	<u>256,858</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 19,129</u>	<u>\$ 12,452</u>	<u>\$ 31,581</u>	<u>\$ 22,865</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES (CONTINUED)
 FOR THE YEAR ENDED OCTOBER 31, 1998
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED OCTOBER 31, 1997

	COMMUNICATION SYSTEM MANAGEMENT	OFFICE OF EMERGENCY PREPAREDNESS	TOTALS MEMORANDUM ONLY	
			1998	1997
EXCESS OF REVENUE OVER EXPENDITURES (BROUGHT FORWARD)	\$ <u>19,129</u>	\$ <u>12,452</u>	\$ <u>31,581</u>	\$ <u>22,865</u>
OTHER FINANCING USES				
Reimbursement of Excess Funds: City/Parish of Lafayette	<u>(19,129)</u>	<u>(12,452)</u>	<u>(31,581)</u>	<u>(22,865)</u>
Total Other Financing Uses	<u>(19,129)</u>	<u>(12,452)</u>	<u>(31,581)</u>	<u>(22,865)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPES
 FOR THE YEAR ENDED OCTOBER 31, 1998
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED OCTOBER 31, 1997

	1998		VARIANCE	1997
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUE				
State of Louisiana	\$ 32,000	\$ 32,842	\$ 842	\$ 46,491
City/Parish of Lafayette Appropriation	239,400	236,514	(2,886)	227,397
Interest Earnings	2,500	6,729	4,229	5,813
Miscellaneous Revenues	-	6	6	22
Total Revenue	<u>273,900</u>	<u>276,091</u>	<u>2,191</u>	<u>279,723</u>
EXPENDITURES				
Current:				
Dues and Licenses	700	362	338	443
Duplicating Expense	300	266	34	365
Insurance	16,100	15,528	572	13,721
Interest	50	20	30	32
Miscellaneous	1,900	1,774	126	1,129
Postage	250	146	104	199
Printing	150	-	150	72
Professional Fees	1,650	1,643	7	1,573
Publication and Recordings	950	762	188	55
Repairs and Maintenance	79,450	66,695	12,755	74,356
Retirement and Medicare	7,500	6,232	1,268	5,946
Salaries	83,000	79,028	3,972	77,037
Supplies and Materials	10,200	7,671	2,529	8,302
Telecommunications	31,800	27,663	4,137	26,017
Tower Rentals	15,800	14,184	1,616	14,184
Training	2,050	1,812	238	1,588
Transportation	3,800	3,789	11	3,461
Travel and Meetings	1,250	1,014	236	18
Utilities	5,400	4,474	926	4,553
Capital Outlay				
Equipment	<u>11,600</u>	<u>11,447</u>	<u>153</u>	<u>23,807</u>
Total Expenditures	<u>273,900</u>	<u>244,510</u>	<u>29,390</u>	<u>256,858</u>
EXCESS OF REVENUE OVER EXPENDITURE	\$ -	\$ 31,581	\$ 31,581	\$ 22,865

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPES (CONTINUED)
 FOR THE YEAR ENDED OCTOBER 31, 1998
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED OCTOBER 31, 1997

	1998		VARIANCE FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
EXCESS OF REVENUE OVER EXPENDITURES (BROUGHT FORWARD)	\$ -	\$ 31,581	\$ 31,581	\$22,865
OTHER FINANCING USES				
Reimbursement of Excess Funds: City/Parish of Lafayette	-	(31,581)	(31,581)	(22,865)
Total Other Financing Uses	-	(31,581)	(31,581)	(22,865)
DEFICIENCY OF REVENUE OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
"911" FUND
FOR THE YEARS ENDED OCTOBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUE		
Telephone Tax	\$ <u>1,797,897</u>	\$ <u>1,427,404</u>
OPERATING EXPENSES		
Depreciation	333,298	136,482
Dues and Subscriptions	124	482
Duplicating Expense	483	382
Insurance	76,582	66,559
Land Lease	253	253
Miscellaneous	4,116	2,730
Office and Postage	353	434
Printing	474	967
Professional Fees	18,691	11,500
Publication and Recordings	770	1,094
Repairs and Maintenance	85,526	65,024
Retirement and Medicare	43,360	39,420
Salaries	500,080	459,999
Supplies and Materials	11,148	9,241
Telecommunications	274,580	242,755
Training	14,443	9,960
Transportation	4,494	2,573
Travel and Meetings	662	450
Uniforms	<u>2,478</u>	<u>1,399</u>
Total Operating Expenses	<u>1,371,915</u>	<u>1,051,474</u>
OPERATING INCOME	<u>425,982</u>	<u>375,930</u>
NON-OPERATING REVENUES (EXPENSES)		
Miscellaneous Revenue	319	389
Interest Earnings	41,769	40,502
Interest Expense	(112,307)	(35)
Loss on Fixed Asset Disposal	<u>(93)</u>	<u>-</u>
Total Non-Operating Revenue	<u>(70,312)</u>	<u>40,856</u>
NET INCOME	355,670	416,786
RETAINED EARNINGS, BEGINNING	<u>2,532,780</u>	<u>2,115,994</u>
RETAINED EARNINGS, ENDING	<u>\$2,888,450</u>	<u>\$2,532,780</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

COMPARATIVE STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 "911" FUND
 FOR THE YEARS ENDED OCTOBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income	\$ 425,982	\$ 375,930
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	333,298	136,252
Land Lease Amortization	253	253
Miscellaneous Revenue	319	389
Changes in Assets and Liabilities:		
Telephone Tax Receivable	(167,189)	(7,505)
Prepaid Expenses	13,697	13,685
Accounts Payable	43,017	(21,969)
Salaries Payable	1,228	1,253
Office of Emergency Preparedness Fund Lafayette Areawide	42	-
Planning Commission	-	(7,659)
Accrued Compensated Absences	<u>3,044</u>	<u>(2,025)</u>
Net Cash Provided by Operating Activities	<u>653,691</u>	<u>488,604</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(594,031)	(673,958)
Interest on Investments	<u>41,769</u>	<u>40,502</u>
Net Cash Used In Investing Activities	<u>(552,262)</u>	<u>(633,456)</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Interest Paid	(60,541)	(35)
Principal Payment on Capital Lease Obligation	<u>(155,239)</u>	<u>-</u>
Net Cash Used in Capital and Financing Activities	<u>(215,780)</u>	<u>(35)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(114,351)	(144,887)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>855,812</u>	<u>1,000,699</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 741,461</u>	<u>\$ 855,812</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 1998

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - The Lafayette Parish Communication District consists of the "911" Fund, the Office of Emergency Preparedness Fund and The Communication System Management Fund.

The "911" Fund was created by House Bill No. 480, Act No. 788 and signed into law July 18, 1979 for the purpose of establishing a local emergency telephone response service for Lafayette Parish.

The Office of Emergency Preparedness Fund (OEP) was consolidated with the Lafayette Parish Communication District on November 1, 1984. Funding for OEP is provided by the State of Louisiana Office of Emergency Preparedness, the City of Lafayette and the Parish of Lafayette. Any revenues in excess of expenditures is refunded proportionately to the City and Parish of Lafayette at the end of each fiscal year.

The Communication System Management Fund (CSMF) was established on November 1, 1986 to administer the City of Lafayette's 800 Megahertz Radio System. CSMF charges the Lafayette Utilities System and surrounding communities a rental fee for radio tower usage. The City of Lafayette reimburses CSMF for excess expenditures over revenues received from tower rentals.

Reporting Entity - The "911" Fund, the Office of Emergency Preparedness Fund and the Communication System Management Fund are presented with the Lafayette Parish Communication District in this report.

Fund Accounting - The accounts of the Lafayette Parish Communication District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The following funds and groups of accounts are presented in this report:

Governmental Fund Types

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Fund Type

Enterprise Fund - This type of fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing emergency telephone response services to the general public on a continuing basis is financed through user charges.

The District applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations.

LAFAYETTE PARISH COMMUNICATION DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

OCTOBER 31, 1998

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Account Groups

General Fixed Assets Account Group - This account group is used in governmental fund type operations for control purposes. All fixed assets are recorded at historical cost in the General Fixed Assets Account Group and recorded as an expenditure in the governmental funds when purchased. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group - This account group is used to account for long-term obligations to be financed from government funds.

Measurement Focus/Basis of Accounting - Measurement focus refers to what is being measured; 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 governmental fund types use a financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available as net current assets.)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. The proprietary fund type is accounted for on a cost of service measurement focus using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting - The Lafayette Parish Communication District is required to adopt annual budgets for each fund. Each budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP").

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Each year, prior to November 1, the District prepares a budget for the next succeeding fiscal year and submits it to the Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them.
- b. The Lafayette Parish Communication District adopts the budget by a resolution of the Board of Commissioners.
- c. The budget must be revised and approved by the Commissioners for any increase in budgetary expenditures.
- d. All budgetary appropriations lapse at the end of each fiscal year.

LAFAYETTE PARISH COMMUNICATION DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

OCTOBER 31, 1998

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group.

Property and equipment acquired for the Proprietary Fund is capitalized at cost.

Depreciation of fixed assets used by the Proprietary Fund is charged as an expense against operations, and accumulated depreciation is reported on the Proprietary Fund's Balance Sheet. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Deferred Revenue - Deferred revenue in the Communication System Management Fund represents rental fees for future radio tower usage. Rental revenue is recognized on a pro-rata basis as radio tower service is provided.

Compensated Absences - Annual leave is a paid leave of absence from regularly scheduled work hours granted to regular employees for the purpose of rest and recreation or to attend to personal affairs. Annual leave is earned by all regular full and part-time employees based on their years of service ranging from eight to sixteen hours per month beginning after six months of service. Excess leave shall be added to the employee's sick leave balance. Sick leave is earned by all full-time employees at the rate of eight hours per month and part-time employees at a pro-rata amount based on their usual work schedule for each completed month of employment.

Sick leave is carried forward from year to year. An employee shall be paid for all accumulated hours of sick leave at their regular rate of pay upon retirement or death and will not be paid upon any other type of separation from service. In accordance with Government Accounting Standards Board-16, no accrual is made for paid sick leave earned.

On October 31, 1998, accrued compensated absences in the "911" Fund amounted to \$11,513. The portion of accrued compensated absences attributed to the OEP Fund are reported in the General Long-Term Debt Account Group in the amount of \$3,499 on October 31, 1998. All accruals are for annual leave.

Comparative Data - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

Total Columns on Combined Statements - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

LAFAYETTE PARISH COMMUNICATION DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

OCTOBER 31, 1998

(B) CASH AND INVESTMENTS

The District's cash and investments are included in the City of Lafayette's Cash Management Fund which is pooled with the City's other investments. Interest earned from the pooled cash management fund is apportioned to each fund based on its average daily cash balance. The City's investments are categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. All funds are considered Category 1 at October 31, 1998.

(C) TELEPHONE TAX RECEIVABLE

The telephone tax is received by the "911" Fund from South Central Bell and Century Telephone from amounts billed to their customers. At October 31, 1998, the telephone tax receivable for the month of October was \$290,066. The responsibility of collecting the tax rests with the telephone companies and the receivable is reported net of any uncollected amounts, therefore, no allowance for uncollectible taxes is deemed necessary.

(D) PREPAID MAINTENANCE CONTRACT

On February 2, 1994, the District entered into a prepaid five (5) year maintenance contract with Stratus Computer, Inc. in the amount of \$57,491 for computer hardware and software maintenance on the 911 Fund. The prepaid amount is being amortized on a straight-line basis over the life of the contract. The amount amortized for the year ended October 31, 1998, is \$13,719. The remaining balance on the contract is \$3,430.

(E) PROPERTY AND EQUIPMENT

The District's capitalization policy matches that of the City/Parish of Lafayette, its fiscal agent. Under this policy, the District capitalizes only those fixed asset purchases which equal or exceed \$500.

General Fixed Assets

A summary of changes in general fixed assets for the year ended October 31, 1998, follows:

	BEGINNING	ADDITIONS	RETIREMENTS	ENDING
Equipment	<u>\$256,292</u>	<u>\$11,447</u>	<u>\$ -</u>	<u>\$267,739</u>

LAFAYETTE PARISH COMMUNICATION DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

OCTOBER 31, 1998

(E) PROPERTY AND EQUIPMENT

Proprietary Fund Type

A summary of changes in proprietary fund type fixed assets for the year ended October 31, 1998, follows:

	<u>BEGINNING</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ENDING</u>
Property & Equipment	\$ 1,544,899	\$2,528,347	\$ (566)	\$ 4,072,680
Construction in Progress	2,183,468	-	(1,934,316)	249,152
Accumulated Depreciation	<u>(1,110,826)</u>	<u>(333,298)</u>	<u>472</u>	<u>(1,443,652)</u>
Net Property & Equipment	<u>\$ 2,617,541</u>	<u>\$2,195,049</u>	<u>\$(1,934,410)</u>	<u>\$ 2,878,180</u>

(F) PENSION PLAN

All full-time employees of the District are eligible and participating in the Parochial Employee's Retirement System of Louisiana. The District contributed 7.75 percent of each employee's gross wages to the retirement system for the fiscal year. Also included in the expense for retirement is the required Medicare contribution of 1.45 percent of each employee's wages for all employees hired after 1986. The amount contributed to the retirement system and for Medicare for the year ended October 31, 1998, was \$43,360.

(G) LEASES

On September 1, 1983, the District entered into and prepaid a ninety-nine year lease with the City of Lafayette for land for future construction of a permanent facility. The prepaid amount is amortized over the term of the lease in the amount of \$253 per year.

The District has entered into a lease with Bell South Business Systems, Inc. for an Automatic Location Identification (ALI) system. The ALI system is used within the 911 Fund. The lease term is for one year and renews annually unless either party gives a thirty (30) day written notice. The lease term runs from March 27, 1998 through March 26, 1999 with monthly lease payments of \$2,440 per month for the first year of the contract. Future minimum lease payments at October 31, 1998, were \$12,200.

The District also has a lease for tower space from Bowen-Smith Corp. The leased tower space is used within the CSM Fund. The lease automatically renews annually unless either party gives a ninety (90) day written notice. The lease term runs from October 1 through September 30 with monthly lease payments of \$1,182. Future minimum lease payments at October 31, 1998, were \$14,184.

LAFAYETTE PARISH COMMUNICATION DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

OCTOBER 31, 1998

(H) CAPITAL LEASES

The District has entered into a capital lease with Motorola, Inc. for 287 Mobile Data Terminals. The asset and liability recorded under this capital lease are recorded at \$1,588,832, which is the lower of the present value of the minimum lease payments or the fair value of the asset.

Minimum future lease payments under this capital lease as of October 31, 1998 are as follows:

<u>Year Ending October 31</u>	
1999	\$215,760.50
2000	215,760.50
2001	215,760.50
2002	215,760.50
2003	<u>215,760.50</u>
Total Minimum Lease Payments	\$1,078,803
Less: Amount Representing Interest	<u>(160,971)</u>
Present Value of Minimum Lease Payments	<u>\$ 917,832</u>

(I) CONSTRUCTION IN PROGRESS

Included in property and equipment of the "911" Fund is construction in progress of \$249,153 on the Automatic Vehicle Locator Project.

(J) CLAIMS AND JUDGMENTS

The District was the defendant in a suit filed in the Fifteenth Judicial Court, Lafayette Parish, Louisiana. The suit includes allegations against the District for failure to respond timely to calls made through the District dispatch to the Lafayette City Police Department. The judge granted an Exception of Prescription filed by the District in the favor of the District dismissing the Plaintiffs' claims. However, this decision was reversed by the Third Circuit Court of Appeals. Currently, a Motion for Summary Judgment has been filed on behalf of the District on the basis that the District was not negligent. The District and its legal counsel expect the District to obtain a favorable outcome.

(K) BOARD COMPENSATION

The Board of Commissioners serve without compensation or per diem.

(L) 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.

LAFAYETTE PARISH COMMUNICATION DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

OCTOBER 31, 1998

(L) YEAR 2000 ISSUE - continued

Lafayette 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 daily operations. Based on this inventory, the District is in the remediation stage for the financial reporting systems as of October 31, 1998. Testing and validation of the systems will need to be completed to determine the compliance of the hardware and software currently in use.

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 District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

LAFAYETTE PARISH COMMUNICATION DISTRICT

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

OCTOBER 31, 1998

WITH COMPARATIVE TOTALS FOR OCTOBER 31, 1997

	COMMUNICATION SYSTEM MANAGEMENT	OFFICE OF EMERGENCY PREPAREDNESS	TOTALS	
			1998	1997
ASSETS				
Cash	\$55,558	\$ 7,934	\$63,492	\$45,726
Due from 911 Fund	-	42	42	-
Due from State of Louisiana	<u>-</u>	<u>10,941</u>	<u>10,941</u>	<u>10,861</u>
TOTAL ASSETS	<u>\$55,558</u>	<u>\$18,917</u>	<u>\$74,475</u>	<u>\$56,587</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 3,730	\$ 3,511	\$ 7,241	\$ 3,777
Salaries Payable	-	2,954	2,954	2,917
Due to City/Parish of Lafayette	19,129	12,452	31,581	22,865
Deferred Revenue	<u>32,699</u>	<u>-</u>	<u>32,699</u>	<u>27,028</u>
TOTAL LIABILITIES	<u>55,558</u>	<u>18,917</u>	<u>74,475</u>	<u>56,587</u>
FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$55,558</u>	<u>\$18,917</u>	<u>\$74,475</u>	<u>\$56,587</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

SPECIAL REVENUE FUND
 COMMUNICATION SYSTEM MANAGEMENT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED OCTOBER 31, 1998
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED OCTOBER 31, 1997

	1998		VARIANCE FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
REVENUE				
City/Parish of Lafayette Appropriation	\$ 115,400	\$112,514	\$ (2,886)	\$103,397
Interest Earnings	-	3,820	3,820	3,360
Miscellaneous Revenues	-	-	-	22
TOTAL REVENUE	<u>115,400</u>	<u>116,334</u>	<u>934</u>	<u>106,779</u>
EXPENDITURES				
Current:				
Advertising	-	-	-	-
Dues and Licenses	400	113	287	170
Duplicating Expense	50	46	4	108
Insurance	-	-	-	-
Postage	50	-	50	-
Publication and Recordation	450	306	144	-
Printing	50	-	50	-
Professional Fees	650	645	5	549
Repairs and Maintenance	73,000	60,526	12,474	68,070
Supplies and Materials	3,500	2,037	1,463	1,141
Telecommunications	15,000	13,985	1,015	12,010
Tower Rentals	15,800	14,184	1,616	14,184
Travel and Meetings	1,050	889	161	-
Utilities	<u>5,400</u>	<u>4,474</u>	<u>926</u>	<u>4,553</u>
TOTAL EXPENDITURES	<u>115,400</u>	<u>97,205</u>	<u>18,195</u>	<u>100,785</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>-</u>	<u>19,129</u>	<u>19,129</u>	<u>5,994</u>
OTHER FINANCING USES				
Reimbursement of Excess Funds	<u>-</u>	<u>(19,129)</u>	<u>(19,129)</u>	<u>(5,994)</u>
EXCESS OF REVENUE OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

SPECIAL REVENUE FUND
OFFICE OF EMERGENCY PREPAREDNESS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED OCTOBER 31, 1998
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED OCTOBER 31, 1997

	1998		VARIANCE FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
REVENUE				
State of Louisiana	\$ 32,000	\$ 32,842	\$ 842	\$ 46,491
City/Parish of Lafayette				
Appropriation	124,000	124,000	-	124,000
Interest Earnings	2,500	2,909	409	2,453
Miscellaneous Revenues	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
TOTAL REVENUE	<u>158,500</u>	<u>159,757</u>	<u>1,257</u>	<u>172,944</u>
EXPENDITURES				
Current:				
Advertising	-	-	-	-
Dues and Subscriptions	300	249	51	273
Duplicating Expenses	250	220	30	257
Insurance	16,100	15,528	572	13,721
Interest	50	20	30	32
Miscellaneous	1,900	1,774	126	1,129
Postage	200	146	54	199
Printing	100	-	100	72
Professional Fees	1,000	998	2	1,024
Publication and Recordings	500	456	44	55
Repairs and Maintenance	6,450	6,169	281	6,286
Retirement and Medicare	7,500	6,232	1,268	5,946
Salaries	83,000	79,028	3,972	77,037
Supplies and Materials	6,700	5,634	1,066	7,161
Telecommunications	16,800	13,678	3,122	14,007
Training	2,050	1,812	238	1,588
Transportation	3,800	3,789	11	3,461
Travel and Meetings	200	125	75	18
Capital Outlay:				
Equipment	<u>11,600</u>	<u>11,447</u>	<u>153</u>	<u>23,807</u>
TOTAL EXPENDITURES	<u>158,500</u>	<u>147,305</u>	<u>11,195</u>	<u>156,073</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 12,452</u>	<u>\$ 12,452</u>	<u>\$ 16,871</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

SPECIAL REVENUE FUND
 OFFICE OF EMERGENCY PREPAREDNESS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED OCTOBER 31, 1998
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED OCTOBER 31, 1997

	1998		VARIANCE FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
EXCESS OF REVENUE OVER EXPENDITURES (BROUGHT FORWARD)	\$ <u>-</u>	\$ <u>12,452</u>	\$ <u>12,452</u>	\$ <u>16,871</u>
OTHER FINANCING USES				
Reimbursement of Excess Funds: City/Parish of Lafayette	<u>-</u>	<u>(12,452)</u>	<u>(12,452)</u>	<u>(16,871)</u>
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(12,452)</u>	<u>(12,452)</u>	<u>(16,871)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

ENTERPRISE FUND
 "911" FUND
 COMPARATIVE BALANCE SHEET
 OCTOBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 741,461	\$ 855,812
Telephone Tax Receivable	290,066	122,877
Prepaid Maintenance Contracts - Current Portion	3,430	14,769
Prepaid Lease - Current Portion	<u>253</u>	<u>253</u>
Total Current Assets	<u>1,035,210</u>	<u>993,711</u>
PROPERTY AND EQUIPMENT		
Property and Equipment	4,072,680	1,544,899
Construction in Progress	249,152	2,183,468
Less: Accumulated Depreciation	<u>(1,443,652)</u>	<u>(1,110,826)</u>
Net Total Property and Equipment	<u>2,878,180</u>	<u>2,617,541</u>
OTHER ASSETS		
Prepaid Lease - Long-Term Portion	20,917	21,169
Prepaid Maintenance Contracts - Long-Term Portion	<u>1,072</u>	<u>3,430</u>
Total Other Assets	<u>21,989</u>	<u>24,599</u>
TOTAL ASSETS	<u>\$ 3,935,379</u>	<u>\$ 3,635,851</u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 47,212	\$ 4,195
Salaries Payable	18,564	17,336
Due to Lafayette Areawide Planning Commission	-	-
Due to Office of Emergency Preparedness Fund	42	-
Lease Payments Due In One Year	<u>163,995</u>	<u>155,239</u>
Total Current Liabilities	<u>229,813</u>	<u>176,770</u>
LONG-TERM LIABILITIES		
Accrued Compensated Absences	11,513	8,469
Capital Lease Obligations	753,837	917,832
Accrued Interest Payable	<u>51,766</u>	<u>-</u>
Total Long-Term Liabilities	<u>817,116</u>	<u>926,301</u>
TOTAL LIABILITIES	<u>1,046,929</u>	<u>1,103,071</u>
FUND EQUITY		
Retained Earnings - Unreserved	<u>2,888,450</u>	<u>2,532,780</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$3,935,379</u>	<u>\$3,635,851</u>

The Accompanying Notes are an Integral Part of These Statements

LAFAYETTE PARISH COMMUNICATION DISTRICT

STATEMENT OF REVENUES AND EXPENSES
 BUDGET (GAAP BASIS) AND ACTUAL
 ENTERPRISE FUND
 FOR THE YEAR ENDED OCTOBER 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE			
Telephone Tax	\$1,518,286	\$1,797,897	\$ 279,611
Miscellaneous Revenue	200	319	119
Interest Earnings	<u>38,500</u>	<u>41,769</u>	<u>3,269</u>
Total Revenue	<u>1,556,986</u>	<u>1,839,985</u>	<u>282,999</u>
EXPENSES			
Current:			
Contractual Services	3,258	-	3,258
Depreciation	250,000	333,298	(83,298)
Dues and Subscriptions	600	124	476
Duplicating Expense	700	483	217
Expense Reimbursement	100	-	100
Insurance	85,700	76,582	9,118
Interest	216,100	112,307	103,793
Land Lease	253	253	-
Miscellaneous	4,800	4,209	591
Office and Postage	500	353	147
Printing	800	474	326
Professional Fees	107,200	18,691	88,509
Publication and Recordings	1,000	770	230
Repairs and Maintenance	105,500	85,526	19,974
Retirement and Medicare	50,000	43,360	6,640
Salaries	517,700	500,080	17,620
Supplies and Materials	12,300	11,148	1,152
Telecommunications	373,286	274,580	98,706
Training	16,600	14,443	2,157
Transportation	5,500	4,494	1,006
Travel and Meetings	900	662	238
Uniforms	<u>2,700</u>	<u>2,478</u>	<u>222</u>
Total Expenses	<u>1,755,497</u>	<u>1,484,315</u>	<u>271,182</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (198,511)</u>	<u>\$ 355,670</u>	<u>\$ 554,181</u>

The Accompanying Notes are an Integral Part of These Statements

WRIGHT, MOORE, DeHART, DUPUIS & HUTCHINSON

Certified Public Accountants

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* A PROFESSIONAL CORPORATION

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

To the Board of Commissioners
Lafayette Parish Communication District
Lafayette, Louisiana

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements of Lafayette Parish Communication District as of and for the year ended October 31, 1998, and have issued our report thereon dated January 12, 1999. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lafayette Parish Communication District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

WMDDH

This report is intended for the information of Lafayette Parish Communication District and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,
Dupuis, & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON
Certified Public Accountants

January 12, 1999

LAFAYETTE PARISH COMMUNICATION DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED OCTOBER 31, 1998

We have audited the financial statements of the Lafayette Parish Communication District as of and for the year ended October 31, 1998, and have issued our report thereon dated January 12, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Our audit of the financial statements of October 31, 1998 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Material Weaknesses Yes No

Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

None

LAFAYETTE PARISH COMMUNICATION DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED OCTOBER 31, 1998

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
No prior year findings.	
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No prior year findings.	
SECTION III MANAGEMENT LETTER	
No prior year findings.	