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**NATCHITOCHE PARISH
COMMUNICATIONS DISTRICT**

**FINANCIAL REPORT
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 MAY 26 1999

Natchitoches Parish Communications District
Financial Report
December 31, 1998

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Johnson, Thomas & Cunningham

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ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

Natchitoches Parish Communications District
P. O. Box 1411
Natchitoches, Louisiana 71457

We have compiled the accompanying balance sheet of the Natchitoches Communications District, a component unit of the Natchitoches Parish Police Jury, as of December 31, 1998, and the related Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual for the year then ended, in accordance with Statements on Standards established by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

May 4, 1999
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Natchitoches Parish Communications District
 Combined Balance Sheet
 Fund Type and Account Group
 December 31, 1998

	<u>Governmental Fund Type General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Totals (Memorandum Only) 12-31-98</u>
<u>Assets</u>			
Cash	\$101,605	\$ 0	\$101,605
Investments	102,109	0	102,109
Revenue Receivable	10,429	0	10,429
Equipment & Improvements	<u>0</u>	<u>349,111</u>	<u>349,111</u>
Total Assets	<u>\$214,143</u>	<u>\$349,111</u>	<u>\$563,254</u>
<u>Liabilities & Fund Equity</u>			
Liabilities-			
Accounts Payable	\$ 1,261	\$ 0	\$ 1,261
Payroll Taxes Payable	<u>305</u>	<u>0</u>	<u>305</u>
Total Liabilities	<u>\$ 1,566</u>	<u>\$ 0</u>	<u>\$ 1,566</u>
Fund Equity-			
Investment in General Fixed Assets	\$ 0	\$349,111	\$349,111
Fund Balance- Unreserved	<u>212,577</u>	<u>0</u>	<u>212,577</u>
Total Fund Equity	<u>\$212,577</u>	<u>\$349,111</u>	<u>\$561,688</u>
Total Liabilities & Fund Equity	<u>\$214,143</u>	<u>\$349,111</u>	<u>\$563,254</u>

See Accountants' Compilation Report.

Natchitoches Parish Communications District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes-			
Communications Tax	\$175,000	\$183,851	\$ 8,851
Miscellaneous-			
Interest Income	3,000	5,579	2,579
Other Fees	<u>750</u>	<u>965</u>	<u>215</u>
Total Revenues	<u>\$178,750</u>	<u>\$190,395</u>	<u>\$11,645</u>
EXPENDITURES:			
Public Safety-			
Salaries	\$ 35,000	\$ 38,663	\$ (3,663)
Telephone	4,000	3,874	126
Equipment	3,500	4,115	(615)
Travel/Auto	1,500	1,221	279
Payroll Taxes	1,000	1,199	(199)
Repairs	65,000	66,625	(1,625)
Office Supplies	3,000	2,429	571
Accounting	5,000	5,098	(98)
Bank Charges	150	144	6
Equipment Rental	2,500	2,481	19
Utilities	500	563	(63)
Dues & Subscriptions	350	209	141
Capital Improvements	<u>1,000</u>	<u>754</u>	<u>246</u>
Total Expenditures	<u>\$122,500</u>	<u>\$127,375</u>	<u>\$ (4,875)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 56,250	\$ 63,020	\$ 6,770
Fund Balance-Beginning of Year	<u>149,557</u>	<u>149,557</u>	<u>0</u>
Fund Balance-End of Year	<u>\$205,807</u>	<u>\$212,577</u>	<u>\$ 6,770</u>

See Accountants' Compilation Report.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Communications District
Notes to Financial Statements
December 31, 1998

INTRODUCTION

Natchitoches Parish Communications District, of Natchitoches Parish, Louisiana was created on July 20, 1983, by Ordinance #112 of the Natchitoches Parish Police Jury. The District is charged with forming and operating an emergency response system for Natchitoches Parish to be operated as a "911" system. Numerous other authorities and governmental entities within the Parish of Natchitoches (many of which include "Natchitoches" in their name) have been excluded from these statements because control or financial responsibility by the Natchitoches Parish Communications District is remote.

1. Summary of Significant Accounting Policies:

A. Basis of Presentation:

The accompanying component unit financial statements of the Natchitoches Parish Communications District have been prepared in conformity with generally accepted accounting principles (GAAP as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity:

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

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

Natchitoches Parish Communications District
Notes to Financial Statements
December 31, 1998

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of criteria number one above, the Natchitoches Parish Communications District was determined to be a component unit of the Natchitoches Parish Police Jury, the reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the reporting entity.

C. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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. Governmental funds of the District include:

1. General Fund - the general operating fund of the District and accounts for all resources, except those required to be accounted for in other funds.

Natchitoches Parish Communications District
Notes to Financial Statements
December 31, 1998

D. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resource measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time of purchase.

Other Financing Sources (Uses) are transfers between funds that are not expected to be repaid or any other financing sources such as debt proceeds.

E. Budgets:

An annual operating budget is adopted for the General Fund. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the Treasurer prepares a proposed budget and submits it to the Board of Commissioners.
2. The Board of Commissioners approves the budget, or amends it as necessary
3. The approved budget is held open for public inspection.
4. Budget appropriations lapse at the end of the year.

F. Encumbrances:

The District does not employ the use of encumbrance accounting.

Natchitoches Parish Communications District
Notes to Financial Statements
December 31, 1998

G. Cash & Cash Equivalents:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Fixed Assets:

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs, if any, incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

I. Compensated Absences:

The District does not carry forward or accrue compensated absences.

J. Long-term Obligations:

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

K. Total Columns on Statements:

The total columns on the 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 or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Natchitoches Parish Communications District
Notes to Financial Statements
December 31, 1998

2. Cash and Cash Equivalents:

At December 31, 1998, the District has cash and investments totaling \$203,714 that was held in a checking accounting and as CD's at a local bank. These deposits are stated at cost, which approximates market. Under state law, these deposits 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 bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1998, the District's entire cash balance was totally insured by FDIC insurance.

The District's cash is categorized below to give an indication of the level of risk assumed by the District at December 31, 1998. Category 1 includes cash held by the District which is insured and held in the District's name. Category 2 would include cash and investments held in the District's name which is uninsured. Category 3 would include cash held by a trustee or other third party not in the District's name and uninsured and unregistered.

	Category <u>1</u>	Category <u>2</u>	Category <u>3</u>
Cash & Investments	\$203,714	\$ 0	\$ 0

3. Communications Tax:

On April 29, 1989, the voters of Natchitoches Parish approved a communications tax to form and operate an emergency response system. The tax is to be assessed as a flat rate per phone line as follows: \$.62 per residential line per month and \$1.67 per commercial line per month. Revenues from the communications tax are recognized when collected by the District. South Central Bell and Campti-Pleasant Hill telephone companies bill and collect the tax through their monthly telephone bills.

For the year ended December 31, 1998, tax collections were \$183,851.

Natchitoches Parish Communications District
Notes to Financial Statements
December 31, 1998

4. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>1-1-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-98</u>
Land	\$ 0	\$ 0	\$0	\$ 0
Equipment & Improvements	<u>344,242</u>	<u>4,869</u>	<u>0</u>	<u>349,111</u>
Totals	<u>\$344,242</u>	<u>\$4,869</u>	<u>\$0</u>	<u>\$349,111</u>

5. Pending Litigations:

There were no civil suits seeking damages against the District outstanding at December 31, 1998.

6. Related Party Transactions:

The District had no related party transactions for the year ended December 31, 1998.

7. Compensation Paid to Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services. The following board members were issued a copy of this report:

Robert Hebert
Boyd Durr
Leigh Perkins
Keith Thompson

Ken Aaron
Jack McCain, Jr.
Tom Collier

Eddie G. Johnson, C.P.A. . . . A Professional Corporation (1962-1996)

Mark D. Thomas, C.P.A. . . . A Professional Corporation

Roger M. Cunningham, C.P.A. . . . A Professional Corporation

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ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

Natchitoches Parish Communications District
P. O. Box 1411
Natchitoches, LA 71457

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Natchitoches Parish Communications District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Natchitoches Parish Communications District's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Not applicable.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42-1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list, including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

The Natchitoches Parish Communications District is only required to post a notice of each meeting and the accompanying agenda on the door of the Police Jury office.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

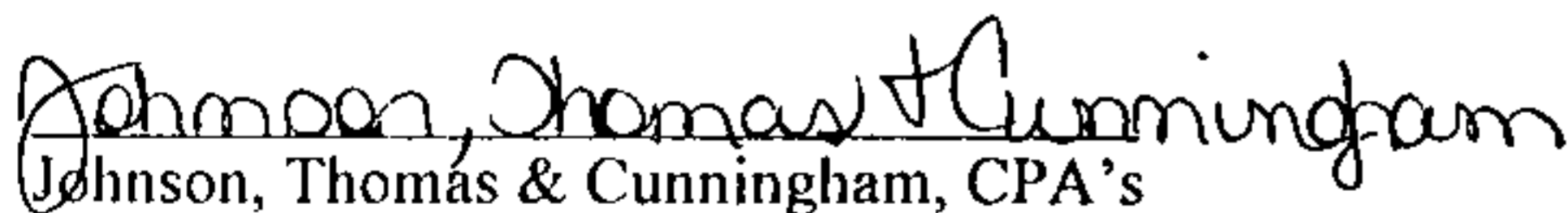
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the district for the year indicated no instances for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Natchitoches Parish Communications District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.


Johnson, Thomas & Cunningham, CPA's

May 4, 1999
Natchitoches, Louisiana