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Lincoln Parish Communications District**Ruston, Louisiana****FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8/18/04WILLIAM R. HULSEY, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

MONROE, LOUISIANA

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LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lincoln Parish Communications District
Ruston, Louisiana

I have audited the accompanying financial statements of the governmental activities and the fund information of the Lincoln Parish Communications District, as of and for the year ended December 31, 2003, which collectively comprise the basic financial statements of the Lincoln Parish Communications District as listed in the table of contents. These financial statements are the responsibility of the Lincoln Parish Communications District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

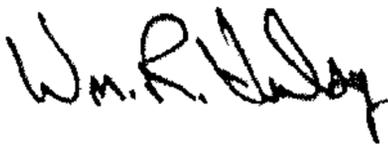
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and fund information for the Lincoln Parish Communications District as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 20, 2004, on my consideration of the Lincoln Parish Communication District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

As described in Note 1, the Lincoln Parish Communications District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of December 31, 2003.

Management's discussion and analysis and budgetary comparison information on pages 3 through 4 and 19 through 20, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

WILLIAM R. HULSEY
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Wm. R. Hulsey". The signature is written in a cursive, somewhat stylized font.

May 20, 2004

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REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

LINCOLN PARISH COMMUNICATIONS DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the District provides an overview of the District's activities for the year ended December 31, 2003. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The District's net assets - the difference between assets and liabilities - measures the District's financial position. The increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating.

THE DISTRICT AS A WHOLE

For the year ended December 31, 2003, net assets changed as follows:

Beginning Net Assets	\$ 1,138,615
Increase in Net Assets	<u>109,007</u>
Ending Net Assets	<u>\$ 1,247,622</u>

THE District'S FUNDS

The following schedule presents a summary of revenues and expenditures for the year ended December 31, 2003.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>
User fees	\$ 319,152	95.40%
Use of money and property	<u>15,404</u>	<u>4.60%</u>
Total Revenues	<u>\$ 334,556</u>	<u>100.00%</u>

<u>Expenditures</u>		
Public Safety	\$ 206,724	94.44%
Capital Outlay	<u>12,167</u>	<u>5.56%</u>
Total Expenditures	<u>\$ 218,891</u>	<u>100.00%</u>

BUDGETARY HIGHLIGHTS

The District's total revenues in 2003 were more than the final budget by \$7,942. Actual expenditures for the District in 2003 were more than the final budget by \$2,882. This variance reflects the increase in prisoner related charges.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2003, the District had \$161,600 invested in capital assets including buildings and improvements, vehicles, machinery and equipment, and land (see table below).

<u>Asset</u>	<u>Gross</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Machinery and equipment	<u>161,600</u>	<u>(147,790)</u>	<u>13,810</u>
Totals	<u>161,600</u>	<u>(147,790)</u>	<u>13,810</u>

The District had no additions to capital assets for the current year.

Debt

At year end, the District had a total liability of \$1,428 for compensated absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's revenues are derived mainly from a special sales and use tax and charges for fees. The District does not anticipate any major increases or decreases in these revenue sources.

CONTACTING THE District'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the following:

Contact Person: Dennis Woodward
Title: Public Works Director

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 679,587
Investments	529,391
Accounts Receivable	26,824
Capital Assets:	
Depreciable	<u>13,810</u>
TOTAL ASSETS	<u><u>\$ 1,249,612</u></u>
LIABILITIES	
Accounts Payable	\$ 1,632
Non-Current Liabilities	
Due Within One Year	
Compensated Absences	<u>358</u>
Total Liabilities	<u>1,990</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	13,810
Unrestricted	<u>1,233,812</u>
Total Net Assets	<u>1,247,622</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,249,612</u></u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
Function/Program Activities					
Government Activities:					
Public Safety	\$ 224,479	\$ 319,152	\$ -	\$ -	\$ 94,673

General Revenues:

Interest Earned	15,404
Total General Revenues	15,404
Changes in Net Assets	110,077
Net Assets - Beginning	1,137,545
Net Assets - Ending	\$ 1,247,622

The accompanying notes are an itegral part of this financial statement.

LINCOLN PARISH COMMUNICATIONS DISTRICT
 RUSTON, LOUISIANA
 BALANCE SHEET - GOVERNMENTAL FUNDS
 DECEMBER 31, 2003

	<u>Communications District General Fund</u>	<u>Communications District Reserve Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 129,908	\$ 549,679	\$ 679,587
Investments	-	529,391	529,391
Accounts receivable	26,824	-	26,824
TOTAL ASSETS	<u>\$ 156,732</u>	<u>\$ 1,079,070</u>	<u>\$ 1,235,802</u>
LIABILITIES			
Accounts payable	<u>\$ 1,632</u>	<u>\$ -</u>	<u>\$ 1,632</u>
FUND BALANCE			
Unreserved, Reported in General Fund			
General Fund	155,100	-	155,100
Special Revenue Fund	-	1,079,070	1,079,070
Total Fund Balances	<u>155,100</u>	<u>1,079,070</u>	<u>1,234,170</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 156,732</u>	<u>\$ 1,079,070</u>	<u>\$ 1,235,802</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2003

Total Governmental Fund Balances	\$ 1,234,170
<i>Amounts reported for governmental activities in the statement of net assets are different</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,810
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(358)</u>
Net Assets of Governmental Activities	<u>\$ 1,247,622</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Communications District General Fund	Communications District Reserve Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
User Fees	\$ 319,152	\$ -	\$ 319,152
Interest	7,932	7,472	15,404
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	327,084	7,472	334,556
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Public safety			
Personnel	22,864	-	22,864
Professional Services	19,110	-	19,110
Office and Postage	1,391	-	1,391
Telephone	85,520	-	85,520
GIS Mapping	25,000	-	25,000
Equipment Maintenance	2,939	-	2,939
Aerial Mapping Photos	49,900	-	49,900
Capital Outlay	12,167	-	12,167
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	218,891	-	218,891
	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues Over Expenditures	108,193	7,472	115,665
Other financing sources (uses):			
Operating transfers in	-	107,491	107,491
Operating transfers out	(107,491)	-	(107,491)
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	(107,491)	107,491	-
	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures And Other Uses	702	114,963	115,665
Fund Balance, Beginning	154,398	964,107	1,118,505
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE, ENDING	<u>\$ 155,100</u>	<u>\$ 1,079,070</u>	<u>\$ 1,234,170</u>

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH COMMUNICATIONS DISTRICT
 RUSTON, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF
 REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2003

Net Change in Fund Balances - Total Governmental Funds	\$ 116,735
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchases capitalized	-
Depreciation Expense	(6,658)
	(6,658)
Change in Net Assets in Governmental Activities	\$ 110,077

The accompanying notes are an integral part of this financial statement.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

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 District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note. For the fiscal year ended December 31, 2003, the District has adopted the new financial reporting requirements of GASB Statement No. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The District has elected to implement the general provisions of the Statement in the current year and plans to report capital assets acquired prior to December 31, 2003.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental-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.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental Fund Financial Statements – The 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.

Principal revenue sources considered susceptible to accrual: user fees and interest on investments. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the District's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2003 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

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.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Use of 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 amounts 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 reporting period. Actual results could differ from those estimates.

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.

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 and cash equivalents 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.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2003.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Receivables

All receivables are recorded at their gross value and, where appropriate are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables and Payables

Due To and From Other Funds

Interfund receivables and payables arising from interfund transactions expected 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
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables (Continued)

Interfund Transactions

Quasi-external transactions are accounted for as revenues 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.

Fixed Assets

Fixed assets of the District are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 5 years

Compensated Absences

Employees accrue from 5 to 15 days of annual and sick leave each year depending on years of service with the District. Annual leave must be used in the year it is earned. Sick leave up to a maximum of 15 days may be carried forward to the next year for major illnesses only. Upon separation, all unused sick leave lapses.

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS

At year end, the carrying amount (book amount) of the District's deposits was \$679,587 while the bank balance was \$714,642. 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>614,642</u>
Total bank balance	\$ <u>714,642</u>

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 3 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, is as follows:

	2002			2003
	Balance	Additions	Disposals	Balance
Depreciable Assets:				
Machinery & Equipment	\$ 161,600	\$ -	\$ -	\$ 161,600
Totals at Historical Cost	<u>161,600</u>	<u>-</u>	<u>-</u>	<u>161,600</u>
Less Accumulated Depreciation:				
Machinery & Equipment	(141,132)	(6,658)	-	(147,790)
Total Accumulated Depreciation	<u>(141,132)</u>	<u>(6,658)</u>	<u>-</u>	<u>(147,790)</u>
 CAPITAL ASSETS, NET	 <u>\$ 20,468</u>	 <u>\$ (6,658)</u>	 <u>\$ -</u>	 <u>\$ 13,810</u>

Depreciation was charged to the Public Safety function of the District for \$6,658.

NOTE 4 - 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, 2003. 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.

Investments categorized by level of risk, are:

	1	Category 2	3	Carrying Amount	Fair Value
Mortgage backed Securities	\$ 28,575	\$ -	\$ -	\$ 28,575	\$ 28,575
U.S. Government Securities	490,000	-	-	490,000	490,000
Premium on Bonds	10,816	-	-	10,816	10,816
 Total Investments	 <u>\$ 529,391</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 529,391</u>	 <u>\$ 529,391</u>

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2003, were \$26,824 and consisted of user fees.

NOTE 6 - PENSION PLAN - PAROCHIAL RETIREMENT SYSTEM

Plan Description

The Parochial Employees' Retirement System, a Public Employee Retirement System, is a cost sharing multiple-employer plan that is governed by the Louisiana Revised Statutes, Title II, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana.

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit is equal to three percent of the member's average monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children.

The District's payroll is included in the Lincoln Parish Police Jury, primary government, financial statements.

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 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Communications District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 8 - DEFERRED COMPENSATION PLAN (Continued)

The deferred compensation plan is administered by PEBSCO (Public Employee Benefit Service Corporation). Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the District, subject only to the claims of the District's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the District, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The District believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that may arise.

As part of its fiduciary role, the District has an obligation of due care in selecting the third-party administrator. In the opinion of the District's legal counsel, the District has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

NOTE 9 - LITIGATION

According to the Parish District Attorney, the District had no pending or threatened litigation as of December 31, 2003.

NOTE 10 - COMPENSATION FOR THE BOARD OF COMMISSIONERS

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

NOTE 11 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual amounts for the year ended December 31, 2003, there were no governmental funds that had unfavorable variances of greater than 5.0%.

NOTE 12 - IMPLEMENTATION STATUS OF E911 SYSTEM

The Lincoln Parish Communication's District started planning for installation of new E911 equipment in 2002. Installation should have started in late 2003, but because of delays from the manufacturers installation will not start until 2004. Positron equipment to be installed includes Power 911, Power CAD, Power Map, Power Radio and Power MIS that will be at a cost in excess of \$900,000.00.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEUDLES**

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Resources (Inflows):				
User Fees	\$ 302,000	\$ 316,000	\$ 319,152	\$ 3,152
Interest Income	4,000	7,500	7,932	432
Amounts Available for Appropriation	<u>306,000</u>	<u>323,500</u>	<u>327,084</u>	<u>3,584</u>
Charges to Appropriations (Outflows):				
Personnel	22,895	22,895	22,864	(31)
Professional Services	14,000	21,000	19,110	(1,890)
Office and Postage	2,000	2,000	1,391	(609)
Telephone	111,500	85,200	85,520	320
GIS Mapping	25,000	25,000	25,000	-
Equipment Maintenance	9,700	3,000	2,939	(61)
Travel/Training	1,000	-	-	-
Aerial Mapping Photos	49,900	49,900	49,900	-
Capital Outlay	9,600	12,200	12,167	(33)
Transfers Out to Other Funds	60,405	102,305	107,491	5,186
Total Charges to Appropriations	<u>306,000</u>	<u>323,500</u>	<u>326,382</u>	<u>2,882</u>
Excess of Resources Over (Under)	-	-	702	702
Fund Balance at Beginning of Year	<u>154,398</u>	<u>154,398</u>	<u>154,398</u>	-
FUND BALANCE AT END OF YEAR	<u>\$ 154,398</u>	<u>\$ 154,398</u>	<u>\$ 155,100</u>	<u>\$ 702</u>

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Resources (Inflows):				
Other Revenues	\$ 28,000	\$ 8,300	\$ 7,472	\$ (828)
Transfers In From Other Funds	60,405	102,305	107,491	5,186
Amounts Available for Appropriation	88,405	110,605	114,963	4,358
Charges to Appropriations (Outflows):	-	-	-	-
Excess of Resources Over (Under)	88,405	110,605	114,963	4,358
Fund Balance at Beginning of Year	964,107	964,107	964,107	-
FUND BALANCE AT END OF YEAR	\$ 1,052,512	\$ 1,074,712	\$ 1,079,070	\$ 4,358

WILLIAM R. HULSEY

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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MONROE, LOUISIANA 71207
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FAX (318) 362-9921

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, 2003, and have issued my report thereon dated May 20, 2004. 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's 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 solely for the information and use of the committee, the Legislative Auditor, the Lincoln Parish Police Jury and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Wm. R. Hulsey". The signature is written in a cursive style with a large initial "W".

May 20, 2004