

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA

Financial Statements
For the Year Ended December 31, 2008

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 7/15/09

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report -----	1
Required Supplemental Information (Part A)	
Management's Discussion and Analysis-----	3-5
 <u>Governmental Activities</u> 	
<u>Government-Wide Financial Statements</u>	
Statement of Net Assets -----	6
Statement of Activities -----	7
<u>Fund Financial Statements:</u>	
Balance Sheet ~ Governmental Funds-----	8
Reconciliation of Total Governmental Fund Balances to	
Net Assets of Governmental Activities -----	8
Statement of Revenues, Expenditures and	
Changes in Fund Balances of Governmental Funds -----	9
Reconciliation of the Statement of Revenues, Expenditures and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities -----	10
Notes to Financial Statements -----	11-17
<u>Required Supplemental Information (Part B)</u>	
<u>Budgetary Comparison Schedules</u>	
General Fund -----	18
Equipment Reserve Fund -----	19
Notes to Budgetary Comparison Schedules -----	20
 <u>OTHER SUPPLEMENTAL INFORMATION</u> 	
Report on Internal Control Over Financial Reporting	
And on Compliance and Other Matters Based on an	
Audit of Financial Statements Performed in Accordance	
With <i>Government Auditing Standards</i> -----	21-22
Schedule of Findings and Questioned Costs -----	23
Schedule of Prior Year Findings -----	24

MEMBER
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CERTIFIED PUBLIC ACCOUNTANTS
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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, 2008, 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 opinions.

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, 2008, and the respective changes in financial position 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 22, 2009, 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 grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Board of Commissioners
Lincoln Parish Communications District
Page 2

Management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 18 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", written in a cursive style.

May 22, 2009

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

**LINCOLN PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Communications District provides an overview of the District's activities for the year ended December 31, 2008. 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 entities. 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) measure 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 not.

THE DISTRICT AS A WHOLE

For the year ended December 31, 2008 and 2007, net assets changed as follows:

	2008		2007
Beginning Net Assets	\$1,318,271		\$1,157,045
Increase (decrease)	(69,147)		161,226
Ending Net Assets	\$ 1,249,124		\$1,318,271

THE DISTRICT'S FUNDS

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2008 and 2007:

Revenues	2008 Amount	Percent Of Total	2007 Amount	Percent Of Total
User fees	\$423,941	92.56%	\$446,155	94.19%
Use of money and property	34,101	7.44%	27,520	5.81%
Total Revenues	\$458,042	100.00%	\$473,675	100.00%

Expenditures	2008 Amount	Percent Of Total	2007 Amount	Percent Of Total
Public Safety	\$514,973	97.68%	\$305,840	98.14%
Capital Outlay	12,216	2.32%	5,800	1.86%
Total Expenditures	\$527,189	100.00%	\$311,640	100.00%

BUDGETARY HIGHLIGHTS

The District's total expenditures in its general fund exceeded its expenditures by \$44,113 for 2008 and by \$25,034 in its reserve fund. This is attributed primarily to enhanced implementation of equipment and features for the existing BellSouth Service agreement.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2008, the District had \$161,600 invested in capital assets as follows:

Asset	December 31, 2007 Balance	Additions	Disposals	December 31, 2008 Balance
Machinery and Equipment	\$161,600	\$ -	\$ -	\$161,600
Total Capital Assets	161,600			161,600
Less: Accumulated Depreciation	(161,600)			(161,600)
Total Capital Assets, Net	\$ -	\$ -	\$ -	\$ -

Debt

At year end, the District had no liability for compensated absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's revenues are derived from user fees and, though it expects some increase in this revenue source, it does not anticipate any major increases or decreases.

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: Bill Sanderson
Title: Chairman

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 686,330
Investments	518,455
Accounts Receivable	66,870
Capital Assets:	
Depreciable	-
TOTAL ASSETS	\$ 1,271,655
LIABILITIES	
Accounts Payable	\$ 8,696
Due To Other Governments - LPPJ	13,835
	22,531
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	-
Unrestricted	1,249,124
Total Net Assets	1,249,124
TOTAL LIABILITIES AND NET ASSETS	\$ 1,271,655

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, 2008

		Program Revenues		
Function/Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government Activities:				Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Public Safety	\$ 527,189	\$ 423,941	\$ -	\$ -
				\$ (103,248)

General Revenues:

Interest Earned	34,101
Changes in Net Assets	(69,147)
Net Assets - Beginning	1,318,271
Net Assets - Ending	\$ 1,249,124

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

FUND FINANCIAL STATEMENTS

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	Communications District General Fund	Communications District Equipment Reserve Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 213,441	\$ 472,889	\$ 686,330
Investments	-	518,455	518,455
Accounts Receivable	64,742	2,128	66,870
Due From Other Funds	77,730	-	77,730
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 355,913</u>	<u>\$ 993,472</u>	<u>\$ 1,349,385</u>
LIABILITIES			
Accounts Payable	\$ 8,696	\$ -	\$ 8,696
Due To Other Governments - LPPJ	13,835	-	13,835
Due To Other Funds	-	77,730	77,730
Total Liabilities	<u>22,531</u>	<u>77,730</u>	<u>100,261</u>
FUND BALANCE			
Unreserved, Reported in General Fund			
General Fund	333,382	-	333,382
Special Revenue Fund	-	915,742	915,742
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>333,382</u>	<u>915,742</u>	<u>1,249,124</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 355,913</u>	<u>\$ 993,472</u>	<u>\$ 1,349,385</u>

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008

Total Governmental Fund Balances	\$ 1,249,124
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*Amounts reported for governmental activities
in the statement of net assets are different*

Capital assets used in governmental activities
are not financial resources and therefore
are not reported in the funds.

-

Net Assets of Governmental Activities

\$ 1,249,124

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, 2008

	Communications District General Fund	Communications District Equipment Reserve Fund	Total Governmental Funds
Revenues:			
User Fees	\$ 423,941	\$ -	\$ 423,941
Interest	6,984	27,117	34,101
Total Revenues	<u>430,925</u>	<u>27,117</u>	<u>458,042</u>
Expenditures:			
Public safety			
Professional Services	158,074	52,151	210,225
BellSouth Service Agreement	279,094	-	279,094
Equipment Maintenance	1,722	-	1,722
GIS Mapping	25,000	-	25,000
Capital Outlay	11,148	-	11,148
Total Expenditures	<u>475,038</u>	<u>52,151</u>	<u>527,189</u>
Excess of Revenues Over Expenditures	(44,113)	(25,034)	(69,147)
Other Financing Sources (Uses):			
Operating Transfers In	77,730	-	77,730
Operating Transfers Out	-	(77,730)	(77,730)
Total Other Financing Sources (Uses)	<u>77,730</u>	<u>(77,730)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures And Other Uses	33,617	(102,764)	(69,147)
Fund Balance, Beginning	<u>299,765</u>	<u>1,018,506</u>	<u>1,318,271</u>
FUND BALANCE, ENDING	<u>\$ 333,382</u>	<u>\$ 915,742</u>	<u>\$ 1,249,124</u>

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, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ (69,147)
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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	-

The decrease in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities.

-

Change in Net Assets in Governmental Activities	\$ <u>(69,147)</u>
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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, 2008

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.

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.

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.

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, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual are federal grants, interest on investments, sales and income taxes, and lease payments receivable. 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

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2008 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.

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.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

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

Valuation of Carrying Amounts of Deposits

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

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, 2008.
- 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 Transactions

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

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk - Deposits. The custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy to ensure there is no exposure to this risk is to require each financial institution to pledge its' own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2008. The District had cash and cash equivalents in demand deposits, totaling \$686,330 at December 31, 2008.

These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2008, are secured, as follows:

Bank Balances	<u>\$ 686,541</u>
FDIC Insurance	100,000
Pledged Securities (uncollateralized)	<u>969,272</u>
Total	<u>\$ 1,069,272</u>

NOTE 3 - INVESTMENTS

Custodial Credit Risk - Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments in United States government securities are held by the District's agent in the District's name. Therefore, the District had no custodial credit risk related to its investments at December 31, 2008.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 3 – INVESTMENTS (Continued)

Under state law, the District may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2008, the District had the following investments stated at cost, which approximates market:

United States Government Securities \$ 518,455

Interest Rate Risk. In accordance with its investments policy, the District manages its exposure to declines in fair market values by limiting investment portfolio to “money market investments” which are defined as creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

Credit Risk. The District’s investment policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

Concentration of Credit Risk. The District’s investment policy limits the District’s investment instruments to: 1) certificates of deposit; 2) certain direct obligations of the U.S. Government; 3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America; and 4) the Louisiana Asset Management Pool.

NOTE 4 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2008 is as follows:

	December 31, 2007			December 31, 2008
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Depreciable Assets:				
Machinery & Equipment	\$ 161,600	\$ _____-	\$ _____-	\$ 161,600
Totals at Historical Cost	161,600	-	-	161,600
Less Accumulated Depreciation for:				
Machinery & Equipment	(161,600)	_____ -	_____ -	(161,600)
Total Accumulated Depreciation	(161,600)	_____ -	_____ -	(161,600)
<u>CAPITAL ASSETS, NET</u>	<u>\$ _____-</u>	<u>\$ _____-</u>	<u>\$ _____-</u>	<u>\$ _____-</u>

Depreciation was charged to the Public Safety function of the District for \$0.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2008 were \$66,870 and consisted of user fees. Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

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 coverage 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.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898.

Funding Policy

Under the plan, members are required by state statute to contribute 9.5% of their annual covered salary and the Detention Center is required to contribute at an actuarially determined rate. The current rate is 13.25% of annual covered payroll. The Center's contributions to the System for the years ending December 31, 2008, 2007, and 2006 are included in the Lincoln Parish Police Jury's retirement expense.

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 Lincoln Parish Communications 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. In accordance with the provisions of GASB Statements No. 32 and No. 34, plan balances and activities are not reflected in the financial statements of the Lincoln Parish Communications District.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 9 - LITIGATION

According to the Parish District Attorney, the District had no pending or threatened litigation as of December 31, 2008.

NOTE 10 - COMPENSATION FOR THE BOARD OF COMMISSION

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, 2008, there were no governmental funds that had unfavorable variances of greater than 5.0%.

NOTE 12 - SPECIAL SERVICE ARRANGEMENT AGREEMENT

In April 2004, the District entered into a special service arrangement agreement with BellSouth Telecommunications, Inc. to provide equipment upgrades and maintenance for the 911 emergency system. The District paid \$413,575 at the inception of the agreement and is to pay \$11,600 per month for the next 60 months to maintain the agreement. The agreement is actually an operating lease with ownership of the equipment remaining with BellSouth at the end of the agreement term. The minimum payments due over the life of the agreement are as follows:

Year Ended December 31, 2009	<u>Amount</u> \$ 139,200
------------------------------------	-----------------------------

NOTE 13 - IMPLEMENTATION OF WIRELESS 911 SYSTEM

The 911 Communication District received \$156,526 in 2008 from landline telephone providers and \$267,415 in 2008 from wireless telephone providers for a total of \$423,941 in emergency telephone service charges for 2008. In compliance with FCC order no. 94-102, the District has been implementing the wireless 911 system in two phases.

Phase I displays the wireless 911 caller's telephone number, active tower address, and the direction of the caller from the wireless tower being utilized. Phase II is intended to display the wireless 911 caller's location on a digital map display with a 125 meter accuracy level. Phase I and II have been fully implemented.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 13 – IMPLEMENTATION OF WIRELESS 911 SYSTEM (Continued)

Phase II was completed in 2006 for Sprint/Nextel, T-Mobile, and AT&T/Cingular. Alltel deployed the necessary equipment to provide Phase II information and was completed in August 2007.

The landline service has been fully implemented in prior years. The total expenditures for 2008 related to the District were \$527,189 which, other than those mentioned above, were used solely for operation of the implemented services.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
User Fees	\$ 397,000	\$ 397,000	\$ 423,941	\$ 26,941
Interest Income	5,000	6,000	6,984	984
 Total Revenues	 402,000	 403,000	 430,925	 27,925
<u>Expenditures (Outflows):</u>				
Professional Services	134,000	151,500	158,074	(6,574)
BellSouth Service Agreement	150,000	291,000	279,094	11,906
GIS Mapping	25,000	25,000	25,000	-
Equipment Maintenance	6,000	1,730	1,722	8
Capital Outlay	25,000	11,500	11,148	352
 Total Expenditures	 340,000	 480,730	 475,038	 5,692
 <u>Excess Revenues Over Expenditures</u>	 62,000	 (77,730)	 (44,113)	 33,617
<u>Other Financing Uses</u>				
Transfers In	(62,000)	77,730	77,730	-
 <u>Fund Balance at Beginning of Year</u>	 299,765	 299,765	 299,765	 -
 <u>FUND BALANCE AT END OF YEAR</u>	 \$ 299,765	 \$ 299,765	 \$ 333,382	 \$ 33,617

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

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - EQUIPMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Resources (Inflows):</u>				
Other Revenues	\$ -	\$ -	27,117	\$ 27,117
Total Revenues	-	-	27,117	27,117
<u>Expenditures (Outflows):</u>				
	-	-	52,151	(52,151)
<u>Excess of Revenues Over Expenditures</u>				
	-	-	(25,034)	(25,034)
<u>Other Financing Sources</u>				
Transfers Out	-	(77,730)	(77,730)	-
<u>Fund Balance at Beginning of Year</u>				
	1,018,506	1,018,506	1,018,506	-
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ 1,018,506</u>	<u>\$ 940,776</u>	<u>\$ 915,742</u>	<u>\$ (25,034)</u>

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

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

The budgets for the funds are proposed by the Director and formally adopted by the Commissioners. The budgets are 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.

State law requires the District to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

OTHER SUPPLEMENTAL INFORMATION

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

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS 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 the Lincoln Parish Communications District as of and for the year ended December 31, 2008, and have issued my report thereon dated May 22, 2009. 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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Lincoln Parish Communications District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. My consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

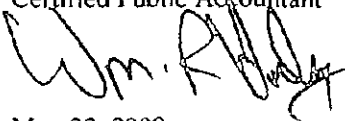
Board of Commissioners
Lincoln Parish Communications District
Ruston Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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



May 22, 2009

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Board of Commissioners
Lincoln Parish Communications District
Ruston, Louisiana

I have audited the financial statements of the Lincoln Parish Communications District (the District) as of and for the year ended December 31, 2008, and have issued my report thereon dated May 22, 2009. 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. My audit of the financial statements as of December 31, 2008, resulted in an unqualified opinion.

SECTION I - Summary of Auditors' Results

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

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards

Material Weakness Identified yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified Qualified

Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133,
Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)

CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

SECTION II - Financial Statement Findings

No matters were reported.

SECTION III - Federal Award Findings and Questioned Costs

No matters were reported.

LINCOLN PARISH COMMUNICATIONS DISTRICT
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

There were no prior year findings in our report issued May 22, 2008.