

**NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2011**

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 **MAY 03 2012**

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NATCHITOCHE, LOUISIANA
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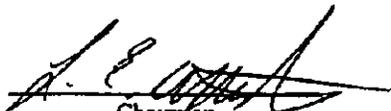
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NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Legislative Auditor
P O Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Larry Atteridge, Chairman of the Natchitoches Parish Communications District, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of Natchitoches Parish Communications District at December 31, 2011 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board


Chairman

Sworn to and subscribed before me, this 16th day of April, 2012


NOTARY PUBLIC
E. Merlin Szygter, ID# 033269

HINES, SHEFFIELD & SQUYRES, L.L.C.

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INDEPENDENT AUDITORS' REPORT

Natchitoches Parish Communications District
P O Box 1411
Natchitoches, Louisiana 71458

We have audited the accompanying basic financial statements of the Natchitoches Parish Communications District, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the Natchitoches Parish Communications District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Parish Communications District as of December 31, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated April 16, 2012, on our consideration of the Natchitoches Parish Communications District's internal control over financial reporting and our 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 our 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 our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 8 and 22, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

-MEMBERS-

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Natchitoches Parish Communications District's financial statements as a whole. The accompanying information identified in the table of contents as Other Supplementary Information is presented for the purposes of additional analysis and is not a required part of the financial statements. The Other Supplementary Information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The financial information for the year ended December 31, 2010, which is included for comparative purposes was taken from the review financial report for that year in which we were not aware of any material modifications dated May 26, 2011, on the basic financial statements of the Natchitoches Parish Communications District.

Hines, Sheffield & Squyres
Natchitoches, Louisiana
April 16, 2012

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

The Management's Discussion and Analysis of the Natchitoches Parish Communications District's financial performance presents a narrative overview and analysis of Natchitoches Parish Communications District's financial activities for the year ended December 31, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Natchitoches Parish Communications District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- 1) The Natchitoches Parish Communications District had cash and investments of \$1,284,255 at December 31, 2011 which represents an increase of \$136,450 from prior year end.
- 2) The Natchitoches Parish Communications District had accounts receivable of \$83,921 at December 31, 2011 which represents a decrease of \$4,148 from prior year end.
- 3) The Natchitoches Parish Communications District had accounts payable and accruals of \$28,205 at December 31, 2011 which represents an increase of \$23,361 from prior year end.
- 4) The Natchitoches Parish Communications District had total revenues of \$441,137 for the year ended December 31, 2011 which represents an increase of \$24,095 from prior year.
- 5) The Natchitoches Parish Communications District had total expenses of \$320,702 for the year ended December 31, 2011 which represents a decrease of \$30,046 from prior year.
- 6) The Natchitoches Parish Communications District had personal services expenses of \$0 for the year ended December 31, 2011 which represents no change from prior year.
- 7) The Natchitoches Parish Communications District had operating services expenses of \$166,093 for the year ended December 31, 2011 which represents a decrease of \$40,925 from prior year.
- 8) The Natchitoches Parish Communications District had professional services expenses of \$108,431 for the year ended December 31, 2011 which represents an increase of \$12,014 from prior year.
- 9) The Natchitoches Parish Communications District had capital asset purchases of \$8,122 for the year ended December 31, 2011 which represents a decrease of \$226,010 from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Natchitoches Parish Communications District as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

NATCHITOCHEES PARISH COMMUNICATIONS DISTRICT
NATCHITOCHEES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Natchitoches Parish Communications District as a whole and present a longer-term view of the District's finances. 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.

The Statement of Net Assets and the Statement of Activities report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 11. All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities as well as what remains for future spending.

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 1,370,590	\$ 1,236,469
Capital assets, net	302,699	336,036
Total Assets	\$ 1,673,289	\$ 1,572,505
Accounts payable and accruals	\$ 28,205	\$ 4,844
Compensated absences payable	0	0
Total Liabilities	28,205	4,844
Net assets		
Investment in capital assets, net of related debt	302,699	336,036
Unrestricted	1,342,385	1,231,625
Total Net Assets	1,645,084	1,567,661
Total Liabilities and Net Assets	\$ 1,673,289	\$ 1,572,505

Net assets of the Natchitoches Parish Communications District's increased by \$77,423 or 4.94% from the previous fiscal year. The increase is the result of general revenues and transfers exceeding expenses during the fiscal year ended 2011 (See table below)

Statement of Activities
For the Year Ended

	<u>2011</u>	<u>2010</u>
General government		
Expenses	\$ (320,702)	\$ (350,748)
Program revenues		
Operating grants and contributions	0	0
Capital grants and contributions	0	0
Subtotal	(320,702)	(350,748)
General revenues	441,137	417,042
Transfers	(43,012)	(35,015)
Change in net assets	\$ 77,423	\$ 31,279

The Natchitoches Parish Communications District's total revenues increased by \$24,095 or 5.78% from the previous year. The total cost of all programs and services decreased by \$30,046 or 8.57% from the previous year.

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the Natchitoches Parish Communications District had \$302,699, net of depreciation, invested in a broad range of capital assets (See table below) This amount represents a net decrease (including additions and deductions) of \$33,337 or 9.92% from the previous year

**Capital Assets at Year End
(Net of Depreciation)**

	2011	2010
Construction in progress	\$ 2,500	\$ 0
Buildings and building improvements	49,161	51,748
Equipment, furniture and fixtures	251,038	284,288
Total	\$ 302,699	\$ 336,036

This year's major additions included

Construction in progress	\$	2,500
Equipment, furniture, and fixtures	\$	5,622

This year's major retirements included

None

Debt

The Natchitoches Parish Communications District had \$0 in compensated absences payable outstanding at year end compared to \$0 at the previous year end, no change as shown in the table below

Outstanding Debt at Year End

	2011	2010
Compensated absences payable	\$ 0	\$ 0
Totals	\$ 0	\$ 0

New debt during the year included

None

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$36,921 more than budgeted amounts due to taxes-communications being more than expected

Actual expenditures were \$6,550 more than budgeted amounts due to capital outlay being more than expected

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Natchitoches Parish Communications District's management considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include

- 1) Taxes
- 2) Interest income
- 3) Miscellaneous revenues

The Natchitoches Parish Communications District does not expect any significant changes in next year's results as compared to the current year

CONTACTING THE NATCHITOCHE PARISH COMMUNICATIONS DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Natchitoches Parish Communications District's finances and to show the Natchitoches Parish Communications District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Larry Atteridge, Chairman, P O Box 1411, Natchitoches, Louisiana 71458

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash	\$ 206,146	\$ 378,830
Investments	1,078,109	768,975
Accounts receivable	83,921	88,069
Prepaid expenses	<u>2,414</u>	<u>595</u>
Total Current Assets	1,370,590	1,236,469
Noncurrent Assets		
Capital assets, net	<u>302,699</u>	<u>336,036</u>
Total Assets	<u>\$ 1,673,289</u>	<u>\$ 1,572,505</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	<u>\$ 28,205</u>	<u>\$ 4,844</u>
Total Current Liabilities	28,205	4,844
Noncurrent Liabilities		
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	28,205	4,844
NET ASSETS		
Investment in capital assets, net of related debt	302,699	336,036
Unrestricted	<u>1,342,385</u>	<u>1,231,625</u>
Total Net Assets	<u>1,645,084</u>	<u>1,567,661</u>
Total Liabilities and Net Assets	<u>\$ 1,673,289</u>	<u>\$ 1,572,505</u>

EXHIBIT B

NATCHITOCHES PARISH COMMUNICATIONS DISTRICT
NATCHITOCHES, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011			2010	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
General Government	\$ 0	\$ 0	0	0	\$ 0
Personal services	0	0	0	0	0
Travel					
Operating services	166,093	0	0	0	(207,018)
Supplies	4,719	0	0	0	(6,657)
Professional services	108,431	0	0	0	(96,417)
Depreciation	41,459	0	0	0	(40,656)
Total General Government	<u>\$ 320,702</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>	<u>(350,748)</u>
General Revenues					
Taxes					
Communications					401,258
Interest income					15,784
Transfers (to police jury)					(43,012)
Total General Revenues and Transfers				<u>398,125</u>	<u>382,027</u>
Change in Net Assets				77,423	31,279
Net Assets, Beginning of year				<u>1,567,661</u>	<u>1,536,382</u>
Net Assets, End of year				<u>\$ 1,645,084</u>	<u>\$ 1,567,661</u>

The accompanying notes are an integral part of this statement

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 206,146	\$ 378,830
Investments	1,078,109	768,975
Accounts receivable	83,921	88,069
Prepaid expenses	<u>2,414</u>	<u>595</u>
Total Assets	<u>\$ 1,370,590</u>	<u>\$ 1,236,469</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accruals	\$ 28,205	\$ 4,844
Total Liabilities	<u>28,205</u>	<u>4,844</u>
FUND BALANCES		
Nonspendable	2,414	595
Unassigned	<u>1,339,971</u>	<u>1,231,030</u>
Total Fund Balances	<u>1,342,385</u>	<u>1,231,625</u>
Total Liabilities and Fund Balances	<u>\$ 1,370,590</u>	<u>\$ 1,236,469</u>

EXHIBIT D

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total Fund Balances for Governmental Funds (Exhibit C)	\$	1,342,385
Total Net Assets reported for governmental activities in the statement of net assets is different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of		
Construction in progress	\$	2,500
Buildings and building improvements, net of \$54,345 in accumulated depreciation		49,161
Furniture, fixtures and equipment, net of \$152,532 in accumulated depreciation	\$	<u>251,038</u>
Total Capital Assets		302,699
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities		<u>0</u>
Total Net Assets of Governmental Activities (Exhibit A)	\$	<u>1,645,084</u>

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
REVENUES		
Taxes		
Communications	\$ 430,788	\$ 401,258
Interest income	<u>10,349</u>	<u>15,784</u>
Total Revenues	441,137	417,042
EXPENDITURES		
General government		
Personal services	0	0
Travel	0	0
Operating services	166,093	207,018
Supplies	4,719	6,657
Professional services	108,431	96,417
Capital outlay	<u>8,122</u>	<u>234,132</u>
Total Expenditures	<u>287,365</u>	<u>544,224</u>
Excess/(Deficiency) Of Revenues Over Expenditures	153,772	(127,182)
Other Financing Sources/(Uses)		
Transfers (to police jury)	<u>(43,012)</u>	<u>(35,015)</u>
Total Other Financing Sources/(Uses)	<u>(43,012)</u>	<u>(35,015)</u>
Net Change in Fund Balances	110,760	(162,197)
Fund Balance, Beginning of year	<u>1,231,625</u>	<u>1,393,822</u>
Fund Balance, End of year	<u>\$ 1,342,385</u>	<u>\$ 1,231,625</u>

The accompanying notes are an integral part of this statement

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, 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, 2011

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ 110,760
The change in Net Assets reported for governmental activities in the statement of activities is different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$41,459) exceeds capital outlay (\$8,122) in the current period.	(33,337)
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>0</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ 77,423</u>

NATCHITOCHES PARISH COMMUNICATIONS DISTRICT
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

The Natchitoches Parish Communications District was created on July 20, 1988, 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Natchitoches Parish Communications District present information only as to the transactions of the programs of the Natchitoches Parish Communications District as authorized by Louisiana statutes and administrative regulations.

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

The accounts of the Natchitoches Parish Communications District are maintained in accordance with applicable statutory provisions.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting, therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis, therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Natchitoches Parish Communications District prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

NATCHITOCHEES PARISH COMMUNICATIONS DISTRICT
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Natchitoches Parish Communications District defines cash and cash equivalents as follows

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition

D. Receivables

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

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2011, \$0 were considered to be uncollectible

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Natchitoches Parish Communications District are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

The Natchitoches Parish Communications District does not have full time employees, therefore, no liability for compensated absences has been recorded in the accompanying financial statements

H. Restricted Net Assets

In the government-wide statements, equity is classified as net assets and displayed in three components

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Net Assets (Continued)

- 1 Investment 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 attributed to the acquisition, construction, or improvement of those assets
- 2 Restricted net assets - consists of net assets with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or b) law through constitutional provisions or enabling legislation
- 3 Unrestricted net assets - all other net assets

I. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components

- 1 Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact
- 2 Restricted - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation
- 3 Committed - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Board of Commissioners) These amounts can not be used for any other purposes unless the government takes the same highest level action to remove or change the constraint
- 4 Assigned - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Board of Commissioners or its management to which the Board of Commissioners has delegated the authority to assign amounts for specific purposes
- 5 Unassigned - all other spendable amounts

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution

The Commission typically uses restricted fund balances first, followed by committed ,assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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

NATCHITOCHEES PARISH COMMUNICATIONS DISTRICT
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit Under state law the Natchitoches Parish Communications District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions

Deposits in bank accounts 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 bank These pledged 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 The deposits at December 31, 2011 were secured as follows

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ 206,146	\$ 1,078,109	\$ 1,284,255
	Cash	Certificates of Deposit	Total
Bank Balances (Category 3 Only, If Any)			
a Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	\$ 0	\$ 0	\$ 0
Total Bank Balances (All Categories Including Category 3 Reported Above)	\$ 227,401	\$ 1,078,109	\$ 1,305,510

The following is a breakdown by banking institution and amount of the balances shown above

Banking Institution	Amount
Bank of Montgomery	\$ 762,761
Exchange Bank	462,948
First Federal Bank of Louisiana	1,004
La Capital Federal Credit Union	78,797
Total	\$ 1,305,510

B. Investments

At December 31, 2011, the Natchitoches Parish Communications District had investments of \$0

NATCHITOCHEES PARISH COMMUNICATIONS DISTRICT
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2011

<u>Class of Receivable</u>	
Taxes	
Communications	\$ 83,921
Other	<u> 0</u>
Total	<u><u>\$ 83,921</u></u>

NOTE 4 CAPITAL ASSETS

A summary of the Natchitoches Parish Communications District's capital assets at December 31, 2011 follows

	<u>Balance December 31, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2011</u>
Capital Assets, not being depreciated				
Construction in progress	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 0</u>	<u>\$ 2,500</u>
Total Capital Assets, not being depreciated	0	2,500	0	2,500
Capital Assets, being depreciated				
Buildings and Building Improvements	103,506	0	0	103,506
Less accumulated depreciation	<u>(51,758)</u>	<u>(2,587)</u>	<u> 0</u>	<u>(54,345)</u>
Total Buildings and Building Improvements	51,748	(2,587)	0	49,161
Equipment, Furniture and Fixtures	397,948	5,622	0	403,570
Less accumulated depreciation	<u>(113,660)</u>	<u>(38,872)</u>	<u> 0</u>	<u>(152,532)</u>
Total Equipment, Furniture and Fixtures	<u>284,288</u>	<u>(33,250)</u>	<u> 0</u>	<u>251,038</u>
Total Capital Assets, being depreciated	<u>336,036</u>	<u>(35,837)</u>	<u> 0</u>	<u>300,199</u>
Total Capital Assets, net	<u><u>\$ 336,036</u></u>	<u><u>\$ (33,337)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 302,699</u></u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2011

<u>Class of Payable</u>	
Vendor	\$ 28,205
Other	<u> 0</u>
Total	<u><u>\$ 28,205</u></u>

NOTE 6 LEASES

The Natchitoches Parish Communications District was not obligated under any noncancellable capital or operating lease commitments at December 31, 2011

NATCHITOCHEES PARISH COMMUNICATIONS DISTRICT
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 7 LITIGATION

The Natchitoches Parish Communications District is a defendant in various litigation as of the close of business on December 31, 2011. Although the outcomes of these lawsuits are not presently determinable, in the opinion of management and legal counsel, resolution of these matters would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Natchitoches Parish Communications District.

NOTE 8 COMPENSATION PAID TO BOARD MEMBERS

The members of the Board of Commissioners of the Natchitoches Parish Communications District receive no compensation for their services. As of December 31, 2011, the members of the Board were as follows:

Larry Atteridge
Dennie Boyt
Victor Jones
Jack McCain, Jr
Jennifer Perkins

Doug Birdwell
Mickey Dove
Gerald Longlois
Chris Paige

REQUIRED SUPPLEMENTARY INFORMATION

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav/(Unfav)</u>
REVENUES				
Taxes				
Communications	\$ 403,637	\$ 394,416	\$ 430,788	\$ 36,372
Interest income	<u>15,000</u>	<u>9,800</u>	<u>10,349</u>	<u>549</u>
Total Revenues	418,637	404,216	441,137	36,921
EXPENDITURES				
General government				
Personal services	0	0	0	0
Travel	0	0	0	0
Operating services	245,687	167,170	166,093	1,077
Supplies	2,950	2,645	4,719	(2,074)
Professional services	130,000	111,000	108,431	2,569
Capital outlay	<u>0</u>	<u>0</u>	<u>8,122</u>	<u>(8,122)</u>
Total Expenditures	<u>378,637</u>	<u>280,815</u>	<u>287,365</u>	<u>(6,550)</u>
Excess/(Deficiency) Of Revenues Over Expenditures	40,000	123,401	153,772	30,371
Other Financing Sources/(Uses)				
Transfers (to police jury)	<u>(40,000)</u>	<u>(42,200)</u>	<u>(43,012)</u>	<u>(812)</u>
Total Other Financing Sources/(Uses)	<u>(40,000)</u>	<u>(42,200)</u>	<u>(43,012)</u>	<u>(812)</u>
Net Change in Fund Balances	0	81,201	110,760	29,559
Fund Balance, Beginning of year	<u>1,231,625</u>	<u>1,231,625</u>	<u>1,231,625</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 1,231,625</u>	<u>\$ 1,312,826</u>	<u>\$ 1,342,385</u>	<u>\$ 29,559</u>

OTHER SUPPLEMENTARY INFORMATION

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

1	Type of auditors' report issued	Unqualified
2	Internal control over financial reporting	
	a) Material weakness(es) identified?	No
	b) Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
3	Noncompliance material to financial statements noted?	No

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported

HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
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NATCHITOCHEES, LA 71457

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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

Natchitoches Parish Communications District
P O Box 1411
Natchitoches, Louisiana 71458

We have audited the accompanying basic financial statements of the Natchitoches Parish Communications District, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2011, and have issued our report thereon dated April 16, 2012. We conducted our 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

Management of the Natchitoches Parish Communications District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Natchitoches Parish Communications District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Natchitoches Parish Communications District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish Communications District's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Natchitoches Parish Communications District's financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Page #2

This report is intended solely for the information and use of the Natchitoches Parish Communications District, management and the Louisiana State Legislative Auditor 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.

Hines, Sheffield & Squyres
Natchitoches, Louisiana
April 16, 2012

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Ref No</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards

NATCHITOCHE PARISH COMMUNICATIONS DISTRICT
NATCHITOCHE, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards