

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Independent Accountant's Compilation Report
With Supplemental Information Schedules
&
Independent Accountant's Report on Applying
Agreed-Upon Procedures

As of and 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 5.19.04

Washington Parish Communications District
Of The
Washington Parish Government
Franklinton, Louisiana

Component Unit Financial Statements
With supplemental Information Schedules
&
Independent Accountant's Report on
Agreed-Upon Procedures
As of and for the Year Ended December 31, 2003

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WASHINGTON PARISH COMMUNICATIONS DISTRICT
FRANKLINTON, LOUISIANA

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS


FEBRUARY 27, 2004

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

Dear Sir:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Washington Parish Communications District as of and for the fiscal year ended December 31, 2003. The report includes all funds under the control and oversight of the District. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely;



President

WASHINGTON PARISH COMMUNICATIONS DISTRICT
FRANKLINTON, LOUISIANA

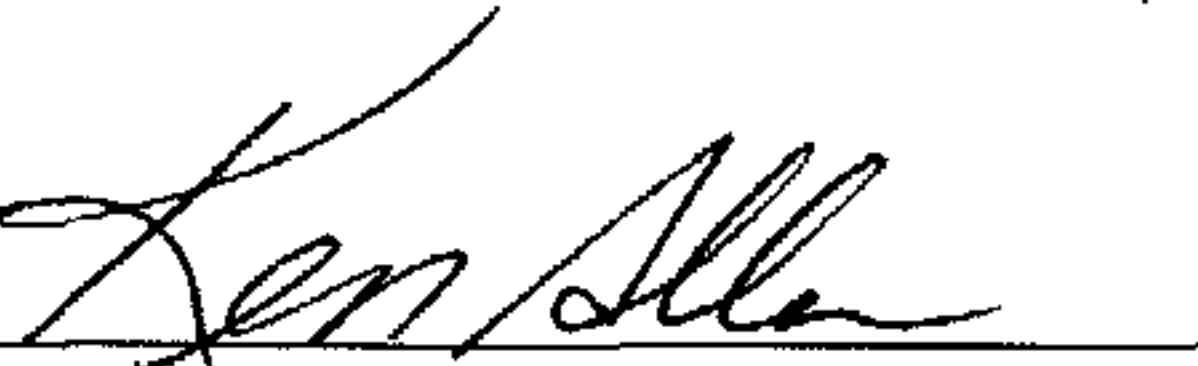
ANNUAL SWORN GENERAL-PURPOSE
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003

AFFIDAVIT

Personally came and appeared before the undersigned authority, James Coleman who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Washington Parish Communications District as of December 31, 2003, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.


Signature

Sworn to and subscribed before me, this 6 th day of May, 2004.


Notary Public

Officer _____
Address _____
_____, _____
Telephone # _____

Washington Parish Communications District
Component Unit of The
Parish of Washington, Louisiana

Management's Discussion and Analysis

Introduction

Washington Parish Communications District is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-For State and Local Governments* (hereinafter referred to as GASB 34), and related standards. Please read the following in conjunction with the District's financial statements and footnotes, which follow this section.

Financial Highlights

- Total assets at December 31, 2003 were \$609,493, and exceeded total liabilities in the amount of \$594,278 (i.e., net assets). Of the total net assets, \$497,145 was unrestricted and available to support short-term operations, with the balance invested in capital assets, net of related debt, or restricted for capital activity.
- User fee revenues (phone bill charges-regular and cell) for the fiscal year ending December 31, 2003 decreased from the prior year by \$31,875 (9.81%). Wire-line fees decreased from \$159,268 in 2002 to \$150,236 in 2003, and wireless fees decreased from \$165,609 in 2002 to \$142,766 in 2003.
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest income, decreased by \$2,767 (1.31%). Total operating expenses for 2003 were \$208,148 as compared to \$210,915 for 2002. Accounting services decreased by \$5,521, professional fees (911 consultants and engineering fees for mapping) decreased by \$13,063, service and maintenance decreased by \$2,992, insurance increased by \$5,111, and public education increased by \$17,176.
- Interest income for the fiscal year ended December 31, 2003, totaled \$7,079 representing an increase of \$996. Corresponding investments in bank certificates of deposits increased \$3,406 from \$365,169 at December 31, 2002 to \$368,605 at December 31, 2003.
- At present the District is not obligated for any long-term debt. However; in the near future, the District is obligated to provide 9-1-1 service for cellular customers at an estimated cost of \$400,000. The District plans to finance this cost from accumulated funds and grants.

Washington Parish Communications District
Component Unit of The
Parish of Washington, Louisiana

Management's Discussion and Analysis

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of Washington Parish Communications District's financial condition and performance.

The financial statements report information on the District using full accrual accounting methods similar to those used in private business sector. Financial statements include the Statement of Net Assets, Statement of Revenues, Expenses, Changes in Net Assets, and the Statement of Cash Flows. The Statement of Net Assets provides information about the nature and amount of the District's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The Statement of Revenues, Expenses, and Changes in Net Assets, accounts for the operation of the Communication's District revenues and expenses for the fiscal year and the resulting change in net assets, and provides information on how net assets changed during the year. This statement measures the success of the District's operations in a format that can be used to determine if the District has recovered its costs through user fees and other charges.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and provides information on the source of cash receipts, what the cash was used for, and the total change in cash for the reporting period.

The notes to the financial statements provide required disclosures essential to an understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a budget/actual comparative schedule; the Independent Accountant's Report of Agreed Upon Procedures, containing reports detailing the District's compliance with certain laws and regulations, and the Corrective Action Taken by the District..

Financial Analysis

The purpose of financial analysis is to help determine whether Washington Parish Communications District is better off as a result of the current year's activities. In this

Washington Parish Communications District
Component Unit of The
Parish of Washington, Louisiana

Management's Discussion and Analysis

analysis, data from two of the basic financial statements, the Statement of Net Assets, and the Statement of Revenues, Expenses, and Changes in Net Assets, are presented below in condensed format. These statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the District. Following these statements is a separate schedule summarizing and analyzing budget variances for the current fiscal year.

Condensed Balance Sheet

Capital Assets	<u>52,035</u>	<u>58,776</u>	<u>(6,741)</u>	-11.47%
Total Assets	<u>\$609,493</u>	<u>\$512,500</u>	<u>\$96,993</u>	18.92%
Other Liabilities	<u>15,150</u>	<u>10,487</u>	<u>4,663</u>	44.46%
Total Liabilities	<u>\$15,150</u>	<u>\$10,487</u>	<u>\$4,663</u>	44.46%
Invested in Capital Assets, Net of Related Debt	52,035	58,776	(6,741)	-11.47%
Restricted for Capital Activity and Debt Service	45,163	45,163	0	0.00%
Unrestricted	<u>497,145</u>	<u>398,074</u>	<u>99,071</u>	24.89%
Total Net Assets	<u>594,343</u>	<u>502,013</u>	<u>92,330</u>	18.37%
Total Liabilities and Net Assets	<u><u>\$609,493</u></u>	<u><u>\$512,500</u></u>	<u><u>\$96,993</u></u>	18.93%

The major component of change for "Current and Other Assets" is a \$98,358 increase in operating cash.

"Capital Assets" decreased by \$6,741, reflecting \$7,358 in total purchases for communications system capital assets, less the depreciation recorded for 2003 on capital assets of \$14,099 for the fiscal year ending December 31, 2003.

"Current Liabilities" increased by \$4,663, due primarily to the increase in accounts payable.

"Total Net Assets" (total assets less total liabilities) increased by \$92,330 for the fiscal year ending December 31, 2003, primarily from the net operating income of \$92,263, which was added to cash.

Washington Parish Communications District
Component Unit of The
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Management's Discussion and Analysis

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	Year Ended December 31, 2003	Year Ended December 31, 2002	Dollar Change	Percent Change
Revenues:				
Operating Revenues	\$293,399	\$325,379	(\$31,980)	-9.83%
Nonoperating Revenues	7,079	6,083	996	16.37%
Total Revenues	<u>300,478</u>	<u>331,462</u>	<u>(30,984)</u>	-9.35%
Expenses:				
Depreciation Expense	14,099	13,773	326	2.37%
Other Operating Expense	194,049	197,142	(3,093)	-1.57%
Total Expenses	<u>208,148</u>	<u>210,915</u>	<u>(2,767)</u>	-1.31%
Changes in Net Assets	92,330	120,547	(28,217)	
Beginning Net Assets	502,013	381,466	120,547	
Ending Net Assets	<u>\$594,343</u>	<u>\$502,013</u>	<u>\$92,330</u>	

While the Statement of Net Assets shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets provides answers to the nature and scope of these changes. The above table gives an indication of how Washington Parish Communications District is being conservatively managed. Total "Operating Revenues" (including wire fees, wireless fees, and revenues related to providing these wire services to customers) decreased \$31,980 (9.83%). Quarterly usage fees paid Cingular for the 4th quarter of 2002 and the 4th quarter of 2003 were all paid in 2003 creating an \$8,500 income difference from 2002 to 2003. Other decreases to revenue were caused by various small wireless companies no longer doing business in Washington Parish. Non-operating Revenues, consisting of interest income, increased by \$996 reflecting a better rate of return currently available on cash deposited, and an increase of funds invested in certificates of deposit.

Budgetary Highlights

Washington Parish Communications District adopts an annual operating budget in accordance with requirements of the Local Government Budget Act (LSA-RS 39:1301-14). This budget provides an estimate, for the current fiscal year, of the proposed expenditures, and the revenues that will finance the operations of the District. The operating budget is adopted before the end of the prior fiscal year, and is amended by the Board of Commissioners, after review of monthly budget-to-actual financial reports.

Washington Parish Communications District
Component Unit of The
Parish of Washington, Louisiana

Management's Discussion and Analysis

A summary of the approved budget is presented below in a condensed format, summarizing major revenue and expenditure categories, and is followed by analysis of significant variations between budget and actual amounts. Although not presented as a part of the basic financial statements, a more detailed schedule is also presented in "Schedule 1-Budgetary Comparison Schedule," as supplementary information, following the footnotes to the financial statements.

Budget vs. Actual-Fiscal Year Ended December 31, 2003

	Budget Year Ended December 31, 2003	Actual Year Ended December 31, 2003	Favorable (Unfavorable) Variance
Revenues:			
Operating	\$291,213	\$293,399	\$2,186
Nonoperating	3,427	7,079	3,652
Total Revenues	294,640	300,478	5,838
Operating Expenses:			
Accounting & Auditing	2,800	2,100	700
Service & maintenance	83,142	86,290	(3,148)
Salaries	51,397	50,527	870
Depreciation	13,776	14,099	(323)
Insurance	9,909	10,059	(150)
Office & Computer Expense	2,031	2,044	(13)
Repairs & Maintenance	371	278	93
Public education	16,174	17,176	(1,002)
Legal & Professional Fees	11,875	9,507	2,368
Rent	2,820	2,820	0
Utilities	5,039	4,861	178
Other Operating Expense	9,962	8,387	1,575
Total Operating Expenses	209,296	208,148	1,148
Income (Loss)	\$85,344	\$92,330	\$6,986

Actual total revenue had a variance of \$5,838 (1.98%). For "Operating Expenses" no specific category was significantly above budget, and total actual "Operating Expenses" were \$1,148 below budgeted "Operating Expenses." Variance between actual and total revenue change is \$5,838 (1.98%), which is well below acceptable variance.

Washington Parish Communications District
Component Unit of The
Parish of Washington, Louisiana

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year ending December 31, 2003, Washington Parish Communications District had \$52,035 (net of accumulated depreciation) recorded in capital assets. This includes wire line and wireless systems and improvements, the District's investment for the office building, and land owned, for the office building site, including vehicles, for system operation. The changes in capital assets are presented in the table below.

	December 31, 2003	December 31, 2002	Dollar Change	Percent Change
Land	\$18,184	\$18,184	-	0.00%
Office equipment & furniture	23,576	22,259	1,317	5.92%
Vehicles	29,327	29,327	-	0.00%
Mapping equipment	6,042	-	6,042	100.00%
Recording equipment	67,089	67,089	-	0.00%
Other equipment	5,306	5,306	-	0.00%
	-	-	-	-
Subtotal	\$149,524	\$142,165	\$7,359	5.18%
Less: Accumulated Depreciation	(97,489)	(83,390)	(14,099)	16.91%
Net Capital Assets	\$52,035	\$58,775	(\$6,740)	-11.47%

Purchases of capital assets from December 31, 2002 to December 31, 2003 were minimal, with only an increase of \$6,042 in mapping equipment and \$1,317 in office equipment.

Future Economic Plans

The Washington Parish Communications District Board of Commissioners have restricted net assets in the amount of \$300,000 for equipment for total system integration of current and remote PSAP's, expected to take place in 2004. The Board of Commissioners feels there are sufficient funds on hand at the present time to complete this project without any interruption or interference to their current operation..

WILLIAM R DURDEN, LLC
Certified Public Accountant

820 11th AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Washington Parish Council
Board of Commissioners
Washington Parish Communications District
Franklinton, Louisiana

I have compiled the accompanying general-purpose financial statements of the Washington Parish Communications District, a component unit of the Washington Parish Government, and the Louisiana Attestation Questionnaire, as of and for the year ended December 31, 2003, in accordance with the Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

In accordance with the *Louisiana Audit Guide* and the provisions of state law, I have issued a report, dated February 27, 2004, on the results of my agreed-upon procedures.



William R. Durden
Certified Public Accountant

Franklinton, Louisiana
February 27, 2004

FINANCIAL STATEMENTS

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE
December 31, 2003

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 130,590
Investments	368,605
Accounts Receivable	53,086
Accrued Interest Receivable	27
Prepaid Insurance	4,835
Utility Deposits	315
Total Current Assets	557,458

Noncurrent Assets:

Capital Assets:

Equipment	131,340
Less accumulated depreciation	(97,489)
	33,851

Land	18,184
	52,035

Capital Assets, Net

Total Assets	609,493
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Liabilities

Current Liabilities:

Accounts Payable	11,725
Payroll taxes payable	1,440
Salaries Payable	1,985
Total Current Liabilities	15,150

Total Liabilities

15,150

Net Assets

Invested in Capital Assets, net of related debt	52,035
Restricted for Equipment for system integration	300,000
Restricted for Equipment for Phase 2 wireless capability	100,000
Unrestricted	142,308
Total Net Assets	\$ 594,343

See accountant's report and accompanying notes to financial statements

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUND TYPE
Year ended December 31, 2003

Operating Revenues:	
Wireline Income	\$ 150,236
Wireless Income	142,766
Map Income	385
Sign Fund Income	12
Total Operating Revenue	<u>293,399</u>
Operating Expenses:	
Service & Maintenance	86,290
Salaries	50,527
Telephone	3,946
Travel	151
Depreciation	14,099
Accounting	2,100
Advertising	215
Office Supplies	2,044
Insurance	10,059
Payroll Taxes	4,067
Legal Fees	2,400
Public education	17,176
Repairs & Maintenance	278
Rent	2,820
Training	525
Automobile Expense	693
Utilities	915
Dues & Subscriptions	313
Street Signs	81
Entertainment & Meals	2,144
Professional Fees	7,107
Miscellaneous	198
Total Operating Expenses	<u>208,148</u>
Operating Income	<u>85,251</u>
Nonoperating Revenues & (Expenses):	
Interest Income	<u>7,079</u>
Total Nonoperating Revenues	<u>7,079</u>
Change in Net Assets	92,330
Total Net Assets, Beginning of Year	<u>502,013</u>
Total Net Assets, End of Year	<u><u>594,343</u></u>

See accountant's report and accompanying notes to financial statements

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
Year ended December 31, 2003

Cash flows from operating activities:	
Operating income (Loss)	\$ 85,251
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation	14,099
(Increase) Decrease in Accounts Receivable	(4,793)
(Increase) Decrease in Interest Receivable	(27)
(Increase) Decrease in Prepaid Insurance	(556)
Increase (Decrease) in Accounts Payable and accrued expenses	4,663
Net cash provided (used) by Operating Activities	98,637
Cash flows from Capital and related Financing Activities:	
Payments for property and equipment	(7,359)
Net cash used by Capital and Financing Activities	(7,359)
Cash flows from Investing Activities:	
Payments for the purchase of Certificates of Deposits	(3,400)
Interest earned on investments	7,079
Net cash provided by investing activities	3,679
Net Change in Cash and Cash Equivalents	94,957
Cash and Cash Equivalents, Beginning of Year	35,633
Cash and Cash Equivalents, End of Year	130,590

See accountant's report and accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

INTRODUCTION

The Washington Parish Communications District (The District) was created by the Washington Parish Government on May 17, 1988 under the provisions authorized by Louisiana Revised Statute 33:9101-9106. The purpose of the district is to establish and manage operations of an enhanced 911 emergency telephone system in Washington Parish. The District is governed by a seven (7) member board appointed by the parish government. Board members receive no compensation.

The District has equipped four public safety answering points: Washington Parish Sheriff's Office, Franklinton Police Department, Bogalusa Police Department, and Bogalusa Fire Department with enhanced 911 equipment. Each answering point is staffed by the respective agency's personnel.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2003

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

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

Because the parish government appoints the District's governing board and has the ability to significantly influence operations, the District was determined to be a component unit of the Washington Parish Government, the financial reporting entity.

C. FUND ACCOUNTING

The Washington Parish Communications District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2003

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The accrual basis of accounting is used. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues

Wireline:

On November 10, 1988, the voters of Washington Parish approved a levy not to exceed 5% of the tariff rate approved by Public Service Commissions, on each private and commercial telephone to fund the enhanced 911 emergency telephone service. Beginning January 1, 1989, South Central Bell Telephone Company (SCB) began collecting a service charge of \$0.55 per residential and \$1.43 per commercial telephone line. SCB remits monthly collections (less a 1% administrative fee) to the district by the fifteenth (15th) day of the following month. Currently, there are approximately 17,000 residential and 3,000 commercial line in the Parish.

Wireless:

On December 15, 2000, an agreement for Phase I E-911 Services as entered into between the Washington Parish Communications District and Bell South Mobility as per the Federal Communications Commission in its Report and Order and Further Notice of Proposed Rulemaking in FCC docket No. 94-102, released on July 26, 1996, which requires cellular and broadband PCS licensees and certain wireless licensees to initiate action for the provision of Phase I E-911 service (as defined in the FCC Order), which will enable such licensees to relay a caller's mobile directory number information and the location of a cell site receiving a 911 call to the designated Communications District.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
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Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2003

This agreement allows the Communications District to collect a monthly fee of \$.85 per cellular subscriber per month minus a collection fee not to exceed \$0.15 per cellular subscriber per month. While not governed by this agreement, various other cellular providers are collecting monthly fees from their subscribers and remitting the fees to the Communications District.

Expenses

The district records expenses when the liability has been incurred.

E. BUDGET PRACTICES

The proposed budget for 2003 was presented for adoption at the December 2002 board meeting held by the District on December 3, 2002. The budget is prepared on the accrual basis of accounting. The board reviewed the 2003 budget and amended the budget at its December 2, 2003 meeting. The amended 2003 budget and the 2004 budget were adopted at the December meeting.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, and interest-bearing demand deposits. The district includes in cash and cash equivalents, amounts in time deposits and those investments in bank certificates of deposits with original maturities of no more than 90 days. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. Investments are stated at amortized cost.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2003

G. FIXED ASSETS

Fixed assets of the district are stated on the balance sheet of the enterprise fund at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Vehicles	5 years
Equipment	7 years
Computer equipment	5 years

H. COMPENSATED ABSENCES

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized, as current-year expenditures in the proprietary fund when leave is actually taken.

Employees of the district earn vacation leave at varying rates according to years of service. Vacation leave must be taken during the year earned. However, upon termination employees are paid for any unused vacation leave earned during the year.

Employees earn 12 days of sick leave each year. A total of 45 days may be accumulated. All accumulated sick leave lapses upon termination.

The liability for compensated absences at December 31, 2003, was computed using current compensation rates multiplied by the accumulated leave for each of the two employees.

I. LONG-TERM LIABILITIES

Long-term liabilities consist of debt or other obligations that have maturities in excess of one year.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2003

J. NET ASSETS

Restricted Net Assets-

Restricted net assets represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Unrestricted Net Assets-

This represents unrestricted net assets that can be used for future operations of the District.

2. CASH AND CASH EQUIVALENTS

At December 31, 2003, the district had cash and cash equivalents (book balances) totaling \$130,781.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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 of deposit with the fiscal agent. At December 31, 2003, the district had \$277,897 in deposits (collected bank balances), at Hibernia National Bank which were secured by federal deposit insurance of \$100,000 and pledged securities of the fiscal agent bank in the amount of \$334,469.

3. INVESTMENTS

At December 31, 2003, the district held investments of Certificates of Deposit in four local banks amounting to \$368,605, as follows:

Hibernia National Bank (included in note 2)	\$ 146,755
Parish National Bank	86,038
Zellco Federal Credit Union	60,812
Citizens Savings Bank	75,000
	<u>\$ 368,605</u>

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2003

These investments are stated at cost, which approximates market. Under state law, these investments 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. As stated in note No. 2 above funds held at Hibernia National Bank exceeded the FDIC insurance but sufficient collateral of pledged securities from Hibernia covered the amounts in excess of \$100,000.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2003:

Wire-line service:		
Bell South		\$ 12,588
Wireless (celluar) service:		
Cingular	\$ 34,029	
Sprint	4,176	
Other providers	1,593	
Total Wireless		39,798
Other receivables		700
Total Receivables		\$ 53,086

5. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 2003 follows:

	Cost	Accumulated Depreciation	Net
Vehicles	\$ 29,327	\$ 14,664	\$ 14,663
Office equipment & furniture	23,576	17,549	6,027
Mapping equipment	6,042	807	5,235
Other equipment	5,306	2,638	2,668
Recording equipment	67,089	61,831	5,258
Land	18,184	-	18,184
Total	\$ 149,524	\$ 97,489	\$ 52,035

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2003

Depreciation is computed on a straight-line basis for financial statement purposes, over useful lives ranging from five to ten years.

6. ADDENDA TO FINANCIAL REPORT REQUIRED BY LRS 33:9101 ET SEQ.

In accordance with LSR 33:9101 et seq. and the Legislative Auditor Memorandum dated March 22, 2000, following is a summary of revenues derived from wireless service charges, how such funds were expended, and the progress of phase 1 Implementation.

As of December 31, 2003:

Total funds received from wireless service charges	\$ 213,825.
Expenditures made solely for wireless 9-1-1	- 18,184.
Expenditures made solely for wireline 9-1-1	195,641.

Percentage of balance of expenditures attributable to wireless 9-1-1 (total balance of expenditures multiplied by the percentage of wireless calls received by the District to the total number of calls received).	0%
---	----

Status of Phase 1 Implementation:

The Washington Parish Communications District is aggressively implementing a comprehensive plan to integrate the four existing PSAP's into a single, shared 911 telephone handling system to provide enhanced communications services (including Phase I wireless E911) to the citizens of Washington Parish and the emergency services located therein. Equipment has been ordered, and the system integration of current, remote PSAP's is expected to be accomplished by September, 2004. Cost for this integration, which includes Phase 1 wireless capability, will approach \$300,000. Phase 2 wireless capability will be added in 2005, at a cost of an additional \$100,000. Funds for Phase 1 and 2 wireless have been earmarked for that purpose from retained earnings.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2003

Additional integration and centralization of the parish's emergency communications and management services is in the planning stages. Land has been acquired at a cost of \$18,184. Building and equipment costs for this proposed system, while not finalized as yet, is well beyond the present retained earnings of the District and will acquire additional grant or debt funding. Grant funds in the amount of \$1.4 million dollars were requested in 2003, but denied. It is anticipated that additional system operating costs will be requested by the Parish wide vote in 2005 to further enhance the system.

7. LITIGATION AND CLAIMS

As of December 31, 2003 there were no litigations or claims against the District.

8. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period covered by these financial statements.

9. SUBSEQUENT EVENTS

There were no subsequent events after the balance sheet date requiring disclosure.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS-BUDGET AND ACTUAL
PROPRIETARY FUND TYPE
Year Ended December 31, 2003

	Budget	Amended Budget	Actual	Variance
Revenues:				
Wireline Income	\$ 137,000	\$ 150,206	\$ 150,236	\$ 30
Wireless Income	200,000	140,587	142,766	2,179
Map Income	-	420	385	(35)
Interest Income	5,000	3,427	7,079	3,652
Sign Fund Income	250	-	12	12
Grant Funding	8,000	-	-	-
Total Revenue	<u>350,250</u>	<u>294,640</u>	<u>300,478</u>	<u>5,838</u>
Expenses:				
Service & Maintenance	85,000	83,142	86,290	(3,148)
Salaries	50,400	51,397	50,527	870
Telephone	4,500	4,054	3,946	108
Service & Maintenance, other	-	1,880	-	-
Travel	1,000	202	151	51
Depreciation	13,000	13,776	14,099	(323)
Public Education	40,600	16,174	17,176	(1,002)
Accounting	2,400	2,800	2,100	700
Office Supplies	4,000	2,031	2,044	(13)
Insurance	8,600	9,000	8,914	86
Insurance-W. C.	-	909	1,145	(236)
Payroll Taxes	3,990	4,040	4,067	(27)
Legal Fees	4,400	2,400	2,400	-
Repairs & Maintenance	1,000	371	278	93
Rent	2,800	2,820	2,820	-
Training	6,600	1,000	525	475
Automobile Expense	1,200	702	693	9
Utilities	700	985	915	70
Dues & Subscriptions	-	123	313	(190)
Advertising	-	286	215	71
Map Reprints	1,000	-	-	-
Bank Charges	-	-	-	-
Street Signs	600	77	81	(4)
Entertainment & Meals	1,000	1,388	2,144	(756)
Professional Fees	20,000	9,475	7,107	2,368
Miscellaneous	1,000	264	198	66
Total Expenses	<u>253,790</u>	<u>209,296</u>	<u>208,148</u>	<u>1,148</u>
Net Income for the year	96,460	85,344	92,330	4,690
Retained Earnings, Beginning of Year	<u>502,013</u>	<u>502,013</u>	<u>502,013</u>	
Retained Earnings, End of Year	<u>598,473</u>	<u>587,357</u>	<u>594,343</u>	

See accountant's report and accompanying notes to financial statements

INDEPENDENT
ACCOUNTANT'S REPORT

WILLIAM R DURDEN, LLC
Certified Public Accountant

820 11th AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Washington Parish Council
Board of Commissioners
Washington Parish
Communications District
Franklinton, Louisiana

Commissioners:

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Washington Parish Communications District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSR-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$20,000, or for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1125 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

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

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members. Also determine if any vendors included in procedure (2) were included in any cash disbursements listing.

None of the employees included on the list of employees provided by management (3) appeared on the list provided by management in procedure (2). None of the business interest provided in procedure (2) were listed in the cash disbursement journals for 2003.

Budgeting

5. Obtain a copy of the legally adopted original budget and all amendments.

Management provided me with copies of the original and amended budgets for 2003.

6. Trace the budget adoption and amendment adoptions to the minute book.

The original budget for the year ended December 31, 2003, was adopted at the regular meeting held by the District on December 3, 2002, and made a part of the minutes of that meeting. The 2003 budget was amended and the 2004 budget adopted at the regular meeting held on December 2, 2003.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than five percent (5%)

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual operating revenues for the year exceeded budget amounts by 1.98%. Actual expenditures for the year were less than budget amounts by 0.52%.

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee

I examined supporting documentation for each of the seventeen selected disbursements and found that payment was for the proper amount and made to the correct payee for each disbursement.

- (b) Determine if payments were properly coded to the correct fund and general ledger account

I found that payments were properly coded to the correct fund and general ledger account for each of the seventeen selected disbursements.

- (c) Determine whether payments received approval from proper authorities.

Inspection of documentation in the minutes of board meetings reflect all disbursements are approved by the board prior to release of payment. Each of the selected disbursements was traced to the District's minute book where they were approved by the full board of commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meeting law).

Washington Parish Communications District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building twenty-four hours prior to the meeting. The District placed the notice of each meeting and the corresponding agenda on the door of the office in compliance with the open meeting law.

Debt

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

I inspected copies of all bank deposit slips of the District for the period under examination and noted no deposits which appear to be proceeds of bank loans, bonds, or like indebtedness. I also examined minutes of board meetings for any discussion about obligating the District for any debt, and none were noted

Advances and Bonuses

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

The District has two employees. A review of their pay records indicated no instances which would indicate payments constituting bonuses, advances, or gifts. I also reviewed the minutes of board meetings and there were no instances which indicated a change in pay during the year.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

The prior year report indicated that agendas for meetings were not posted in accordance with the open meeting law. This matter has been corrected and the agendas are now properly posted.

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

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



William R. Durden
Certified Public Accountant

February 28, 2004

MANAGEMENT'S CORRECTIVE ACTION PLAN
AND
SUMMARY OF PRIOR-YEAR FINDINGS

WASHINGTON PARISH COMMUNICATIONS DISTRICT
 (A Component Unit of the Washington Parish Government)
 Franklinton, Louisiana

Summary Schedule of Prior Year Findings
 For The Year Ended December 31, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken Yes, No Partially	Corrective Action Taken
Section I - Independent Accountant's Report on Applying Agreed-Upon Procedures				
Meetings:				
2002-1	2002	Agenda of meetings not posted on door of building where meeting was to be held	yes	Manager posted the notice of each monthly meeting and the agenda for each meeting on the door of the District at least 24 hours prior to each meeting
Compliance:				
2002-2	2002	District had unsecured funds at Hibernia National Bank at December 31, 2002.	yes	A statement of collateral pledged to the District is received from Hibernia Bank each month. The manager and Treasurer insure that the collateral and FDIC insurance are sufficient to cover all funds on deposit at the bank

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2003

There were no findings for the year ending December 31, 2003

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
_____ (Date Transmitted)

Washington Parish Communications District

William R. Durden, CPA (Auditor)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

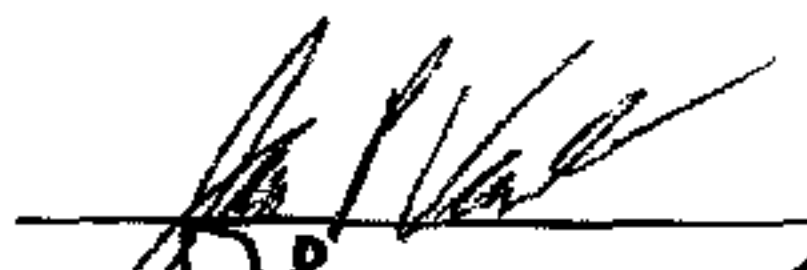
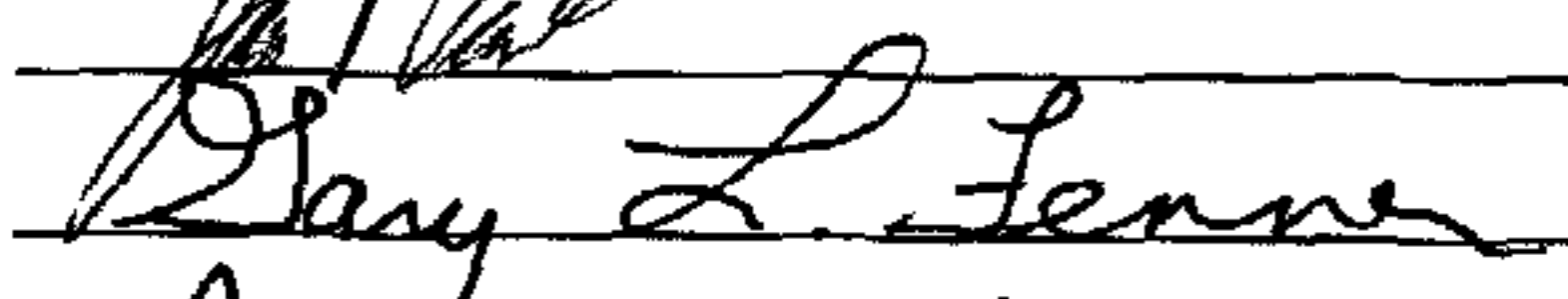
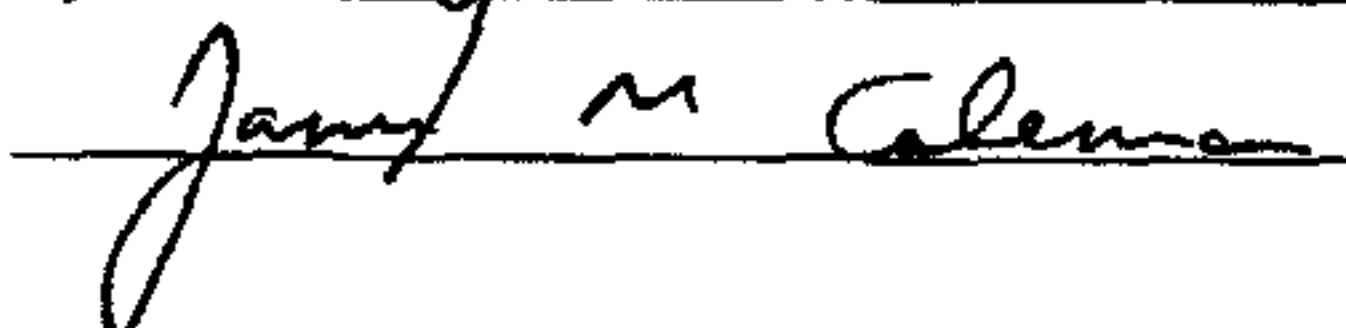
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	3-2-04	Date
	Treasurer	3-2-4	Date
	President	3-2-4	Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.