

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY

Component Unit Financial Statements and
Accountant's Report
As of and for the Year Ended December 31, 1996
With Supplemental Information

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OSWALT & ZARRO

A Corporation of Certified Public Accountants

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Accountant's Report

BOARD OF COMMISSIONERS
RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Rayville, Louisiana

I have compiled the accompanying combined financial statements of Richland Parish Communication District, a component unit of Richland Parish Police Jury, as of and for the year ended December 31, 1995, as listed in the table of contents, in accordance with Statements on 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 statement information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Oswalt & Zarro



Rayville, Louisiana
July 9, 1997

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Rayville, Louisiana

Statement A

SPECIAL REVENUE FUND
BALANCE SHEET
December 31, 1996

ASSETS

| | |
|-----------------------------------|------------------|
| Cash | 68,276. |
| Office Improvements | 7,991. |
| Furniture, Fixtures and Equipment | 113,431. |
| Accumulated Depreciation | <u>(58,870.)</u> |
| Total Assets | <u>129,228.</u> |

LIABILITIES AND FUND BALANCE

| | |
|------------------------------------|-----------------|
| Liabilities: | |
| Accounts Payable | 393. |
| Accrued Payroll Taxes | 138. |
| Retirement Payable | 681. |
| Notes Payable - Motorists | <u>27,725.</u> |
| Total Liabilities | <u>29,037.</u> |
| Fund Balance: | |
| Unreserved - Undesignated | 185,403. |
| Total Liabilities and Fund Balance | <u>129,228.</u> |

See the accountant's report and the accompanying notes.

RICHLAND PARISH COMMUNICATION DISTRICT
 RICHLAND PARISH POLICE JURY
 Bayville, Louisiana

SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 For the Year Ended December 31, 1996

| | December 31 |
|---|-----------------------|
| REVENUES | 1896 |
| 911 Fees | 96,565 |
| Maps and Signs | 5,760 |
| Interest | <u>2,082</u> |
| Total Revenues | <u>102,408</u> |
| | |
| EXPENDITURES | |
| Depreciation | 33,800 |
| Deeds & Subscriptions | 161 |
| Line Fees | 15,298 |
| Insurance | 1,207 |
| Interest | 2,581 |
| Office Supplies | 3,354 |
| Payroll Taxes | 2,479 |
| Professional Fees | 1,168 |
| Repairs and Maintenance | 8,162 |
| Equipment | 1,127 |
| Salary | 31,178 |
| Training | 468 |
| Travel | 4,914 |
| Telephone | <u>2,000</u> |
| Total Expenditures | <u>108,286</u> |
| | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (5,878) |
| | |
| FUND BALANCE - BEGINNING | <u>111,368</u> |
| | |
| FUND BALANCE - ENDING | <u>105,490</u> |

See the accountant's report and the accompanying notes.

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Bogalusa, Louisiana

SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (CASH BASIS) AND ACTUAL
For the Year Ended December 31, 1996

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|-----------------|--|
| REVENUES | | | |
| 911 Fees | 98,510. | 96,568. | 1,942. |
| Maps and Signs | 2,735. | 3,760. | 26. |
| Interest | <u>2,080.</u> | <u>2,080.</u> | <u>32.</u> |
| Total Revenues | 103,325. | 102,408. | 1,915. |
| EXPENDITURES | | | |
| Depreciation | 33,000. | 33,800. | (800.) |
| Data and Subscriptions | 200. | 161. | 39. |
| Line Fees | 15,100. | 15,200. | 2. |
| Insurance | 1,800. | 1,244. | 556. |
| Interest | 2,500. | 2,581. | (81.) |
| Office Supplies | 3,050. | 3,245. | (205.) |
| Payroll Taxes | 2,500. | 2,384. | 116. |
| Professional Fees | 1,250. | 1,160. | 90. |
| Repairs and Maintenance | 8,000. | 7,531. | 469. |
| Retirement | 900. | 832. | 68. |
| Salary | 31,000. | 31,175. | (175.) |
| Software | 8,000. | - | 8,000. |
| Training | 600. | 460. | 140. |
| Travel | 4,900. | 4,955. | (15.) |
| Telephones | <u>2,200.</u> | <u>2,689.</u> | <u>75.</u> |
| Total Expenditures | 116,500. | 107,854. | 8,646. |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (8,175.) | (5,446.) | 2,729. |
| FUND BALANCE - BEGINNING | 110,516. | 110,516. | - |
| FUND BALANCE - ENDING | <u>\$5,320.</u> | <u>105,038.</u> | <u>\$5,282.</u> |

See the accountant's report and the accompanying notes.

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Bayou La Batre, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1996

INTRODUCTION

Richland Parish Communication District was created by resolution of the Richland Parish Police Jury on January 16, 1990, for the purpose of installation, maintenance and operation of a 911 emergency system in Richland Parish. The district is governed by a board of commissioners consisting of seven members. The board is appointed by the Richland Parish Police Jury and serves a four-year term. The commissioners receive no compensation for their services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Rayville, Louisiana
Notes to the Financial Statements (Continued)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or

The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
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 police jury appoints all members of the board and may impose its will on the district, the district was determined to be a component unit of the Richland Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses a special revenue fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance

RICHLAND-PARISH COMMUNICATION DISTRICT
RICHLAND-PARISH POLICE JURY
Bossier, Louisiana
Notes to the Financial Statements (Continued)

sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the special revenue funds. The special revenue funds use the following practices in recording revenues and expenditures:

Revenues

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

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

F. BUDGETS

Preliminary budget for the coming year is prepared by the secretary-treasurer during November of each year. At the December meeting the budget is available for public inspection and is approved prior to the end of the meeting. All annual appropriations lapse at year-end.

The budget comparison statements included in the accompanying financial statements reflect the original adopted budget including all amendments made during the year. The following reconciles the excess (deficiency) of revenues over expenditures for the Special Revenue Fund as shown on Statement C (cash basis) with amounts shown on Statement B (GAAP basis):

| | December 31 |
|---|------------------|
| | <u>1998</u> |
| Excess of expenditures over revenues (cash basis) | (5,485.1) |
| (Increase) Decrease in Payables | <u>3,222.1</u> |
| Excess of expenditures over revenues (GAAP basis) | <u>(2,263.0)</u> |

G. ENCUMBRANCES

The district does not use encumbrance accounting.

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Bossier, Louisiana
Notes to the Financial Statements (Continued)

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

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

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the special revenue fund. Interest costs incurred during construction are capitalized. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Depreciation is provided over the estimated useful lives of the assets using the MACRS 200% method.

I. COMPENSATED ABSENCES

The district has no formal leave policy at this time. The board is in the process of writing a policy for absences and holidays. Therefore no provision has been made for compensated absences.

J. LONG-TERM OBLIGATIONS

The district has a three year lease purchase agreement with Motorola for the PSAP system in the amount of \$30,894.85 at an interest rate of 6.75%, payable in monthly installments of \$1,867.82. The payments and the obligation are accounted for in the special revenue fund.

HOULAND PARISH COMMUNICATION DISTRICT
 HOULAND PARISH POLICE JURY
 Rayville, Louisiana
 Notes to the Financial Statements (Continued)

2. FUND DEFICITS

The fund deficit is largely due to the maintenance contract on the 911 equipment that is now being paid each year.

3. CASH AND CASH EQUIVALENTS

At December 31, 1998, the district has cash and cash equivalents (bank balances) totaling \$68,276, as follows:

| | |
|-----------------|------------------|
| | 1998 |
| Petty Cash | \$ 106. |
| Demand Deposits | 36,336. |
| Time Deposits | 31,840. |
| Total | <u>\$68,276.</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (as far as remaining 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 on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a building or certified bank that is mutually acceptable to both parties. At December 31, 1998 the district has \$31,838 in deposits (collateral bank balances). These deposits are secured from risk by \$208,800 of federal deposit insurance.

4. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

| | BALANCE <u>1-1-96</u> | ACQUISITIONS | RETIREMENTS | BALANCE <u>12-31-98</u> |
|------------------------|--------------------------|---------------|-------------|----------------------------|
| Building Improvements | 7,391. | - | - | 7,391. |
| Equipment | | | | |
| Furniture and Fixtures | <u>105,848.</u> | <u>6,583.</u> | - | <u>112,431.</u> |
| Total | <u>114,432.</u> | <u>6,583.</u> | - | <u>121,022.</u> |

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Rayville, Louisiana
Notes to the Financial Statements (Continued)

5. PENSION PLAN

Plan Description. Substantially all employees of the Richland Parish Communication District are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 60 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14419, Baton Rouge, Louisiana 70804-4619, or by calling (225) 528-1351.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 7.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collected by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district's contribution to the System under Plan A for the year ending December 31, 1996 was \$1,127, equal to the required contributions for the year. This was the first year the District participated in the system.

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Rayville, Louisiana
Notes to the Financial Statements (Continued)

6. LITIGATION AND CLAIMS

At December 31, 1986 the district is not involved or aware of any possible litigation.

RICHLAND PARISH COMMUNICATION DISTRICT
RICHLAND PARISH POLICE JURY
Rayville, Louisiana
Schedule of Compensation Paid Board Members
For the Year Ended December 31, 1996

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The board receives no compensation for their services.

1996

Jimmy Morris, Chairman
David Knight, Treasurer
Mary Pooleland, Secretary
Claude Minor
Dwight Clarke
Charles McDonald
Fred McEachern

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Management of Richland Parish Communication District

We have performed the procedures included in the Louisiana Government Audit Guide and concerned below, which were agreed to by the management of Richland Parish Communication District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Richland Parish Communication District's compliance with certain laws and regulations during the year ended December 31, 1996 included in the accompanying Louisiana Attention 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 to satisfy the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

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

There were no expenditures made during the year 1996 for materials and supplies exceeding \$5,000.

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 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

Management provided us with the required list.

4. Determine whether any of these employees included in the listing obtained from management

in agreed-upon procedure (2) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedure (2)) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided us with copies of the original 1996 budget and the amendments to the budget.

6. Trace the budget adoption and amendments to the estimate book.

We traced the adoption of the original 1996 budget to the minutes of a meeting held on November 8, 1995 which indicated that the budget had been adopted by the commissioners of Richland Parish Communication District. We traced the adoption of the amendments made to the budget for the year 1996 to the minutes of a meeting held on December 23, 1996.

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 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5% in 1996.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

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

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee in 1996.

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

Each of the six payments were properly coded to the correct fund and general ledger account in 1996.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected

disbursements indicated approvals from the Manager of Richland Parish Communication District in 1996.

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 meetings law).

Richland Parish Communication District is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management has asserted that such documents were posted and furnished copies of notices supporting such assertion.

Debt

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

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

Advances and Expenses

11. Examine payroll records and minutes for 1996 to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the district for the year 1996 indicated no approval for the payments noted. We also inspected payroll records for the year 1996 and noted no instances that would indicate payments to employees that would constitute bonuses, advances, or gifts.

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

This report is intended solely for the use of management of Richland Parish Communication 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.

Oswald & Zeno



Bayville, Louisiana

July 9, 1997