9652

RECEIVED
LEGISLATIVE AUDITOR
96 JUL -1 AM 9:53

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

Independent Accountant's Compilation Report

Independent Accountant's Report on Applying Agreed-upon Procedures

As of and for the Two Years Ended December 31, 1995

Richard M. Seal
CERTIFIED PUBLIC ACCOUNTANT

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

TABLE OF CONTENTS

Richard M. Seal
Certified Public Accountant
732-2536

Post Office Box 128
Bogalusa, Louisiana 70429-0128

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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 Police Jury, as of and for the two years ended December 31, 1995, 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 statements information that is the representation of management. I have not audited or reviewed the accompanying general-purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Richard M. Seal
Certified Public Accountant

Bogalusa, Louisiana
June 14, 1996

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Police Jury)
Franklinton, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet
December 31, 1995 and 1994

	Proprietary Fund Type Enterprise Fund	
	1995	1994
ASSETS		
Current assets:		
Cash and cash equivalents	$ 56,788	$ 79,114
Investments	40,000	
Accounts receivable	12,116	11,686
Prepaid expense	3,718	3,548
Total current assets	112,622	94,348
Property, plant and equipment	66,638	64,188
Less accumulated depreciation	(48,973)	(41,511)
Net property, plant and equipment	17,665	22,677
Other assets:		
Utility deposit	315	315
Total Assets	$ 130,602	$ 117,340
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities:		
Accounts payable	$ 6,235	$ 6,365
Accrued payroll taxes	755	1,274
Total current liabilities	6,990	7,639
Fund equity:		
Retained earnings:		
Designated:		
Designated for road signs	7,364	8,306
Designated for aerial map revision	10,000	10,000
Designated for equipment replacement	30,000	30,000
Undesignated	76,248	61,395
Total fund equity	123,612	109,701
Total Liabilities and Fund Equity	$ 130,602	$ 117,340

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Police Jury)
Franklinton, Louisiana
ALL FUND TYPES

Statement of Revenue, Expenses,
and Changes in Retained Earnings
For the years ended December 31, 1995 and 1994

	Proprietary Fund Type Enterprise Fund	
	1995	1994
Revenue:		
Emergency telephone service charge	$ 143,383	$ 138,263
Interest	3,118	1,891
Sign income	959	1,734
Map income	1,361	
Other income	493	2,968
Total revenue	149,314	144,856
Expenses:		
Service and maintenance fee	74,698	73,088
Salaries	30,496	27,047
Payroll taxes	2,403	2,845
Depreciation	7,462	8,298
Interest expense		2,277
Maintenance contract	4,292	710
Equipment repairs	2,341	
Rent	2,640	2,420
Office	2,981	4,065
Telephone	1,988	2,162
Signs	1,901	3,427
Legal and professional	1,800	3,550
Insurance	1,187	1,045
Travel	1,214	748
Total expenses	135,403	131,682
Net income for the year	13,911	13,174
Retained earnings, beginning	109,701	96,527
Retained earnings, ending	$ 123,612	$ 109,701

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Police Jury)
Franklinton, Louisiana
ALL FUND TYPES

Statement of Cash Flows
For the years ended December 31, 1995 and 1994

	Proprietary Fund Type Enterprise Fund	
	1995	1994
Cash flows from operating activities:		
Operating income	$ 13,911	$ 13,174
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	7,462	8,298
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(430)	(491)
Prepaid expense	(170)	(3,548)
Increase (decrease) in accounts payable and accrued expenses	(649)	604
Net cash provided by operating activities	20,124	18,037
Cash flows from investing activities:		
Purchase of investments	(40,000)	
Payment for property and equipment	(2,450)	
Cash flows from capital and related financing activities:		
Capital lease payments		(12,594)
Net cash provided by investing activities	(42,450)	(12,594)
Net cash increase (decrease) for the year	(22,326)	5,443
Cash at beginning of year	79,114	73,671
Cash at end of year	$ 56,788	$ 79,114

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Police Jury)
Franklinton, Louisiana
ALL FUND TYPES

Statement of Revenue, Expenses, and Changes in
Retained Earnings - Budget (Gaap Basis) and Actual
For the year ended December 31, 1995

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Emergency telephone service charge	$ 140,500	$ 143,383	$ 2,883
Interest	1,900	3,118	1,218
Sign income	1,600	959	(641)
Map income	3,000	1,361	(1,639)
Other income		493	493
Total revenue	$ 147,000	$ 149,314	$ 2,314
Expenses:			
Service and maintenance fee	$ 75,000	$ 74,698	$ 302
Salaries	30,600	30,496	104
Payroll taxes	3,300	2,403	897
Depreciation	14,110	7,462	6,648
Maintenance contract	5,000	4,292	708
Equipment repairs	375	2,341	(1,966)
Rent	2,640	2,640	---
Office	3,875	2,981	894
Telephone	2,200	1,988	212
Signs	3,200	1,901	1,299
Legal and professional	2,625	1,800	825
Insurance	1,050	1,187	(137)
Travel	825	1,214	(389)
Other	2,200		2,200
Total expenses	147,000	135,403	11,597
Excess (deficiency) of revenue over expenses	$ ---	13,911	$ 13,911
Retained earnings, beginning		109,701	
Retained earnings, ending		$ 123,612	

The accompanying notes are an integral part of this statement.

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

Notes to the General-Purpose Financial Statements
As of and for the Two Years Ended December 31, 1995

INTRODUCTION

The Washington Parish Communications District (the district) was created by the Washington Parish Police Jury 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 police jury. Board members receive no compensation.

The district serves all of Washington Parish, approximately 14,589 residences and 2,691 business establishments. It 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. The district employs a director and part-time clerical staff worker.

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 as applied to governmental units. The Governmental Accounting Standards Board 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 Police Jury is the financial reporting entity for Washington 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 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 Washington 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:

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

   b. 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 the district's governing body and imposes its will, the district was determined to be a component unit of the Washington 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 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.

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

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 $.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. These revenues are recognized in the month of collection by SCB.

Expenses

The district records expenses when the liability has been incurred.

E. BUDGET PRACTICES

As per Louisiana Revised Statute 39:1301, budget preparation and adoption is required for all political subdivisions of the state with a general fund or a special revenue fund. The Washington Parish Communications District is organized and maintains its accounts in an Enterprise Fund; therefore, the district is not required by state regulations or generally accepted accounting principles to adopt a budget.

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 cost.

G. FIXED ASSETS

Fixed assets of the district are stated on the balance sheet of the fund at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation (if reported net on the balance sheet). Depreciation is computed using the straight-line method over the estimated useful life. Estimated useful lives are as follows:

Maps	10 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 a current-year expenditure 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.

I. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

J. FUND EQUITY

Reserves-
Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances-
Designated fund balances represent tentative plans for future use of financial resources.

2. CASH AND CASH EQUIVALENTS

At December 31, 1995, the district has cash and cash equivalents (book balances) totaling $56,788.

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 on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1995, the district has $57,203 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

3. INVESTMENTS

At December 31, 1995, the district holds investments of Certificates of Deposit totaling $40,000.

4. RECEIVABLES

The following is a summary of receivables at December 31, 1995:

South Central Bell	$12,116

5. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 1995 follows:

	Cost	Accumulated Depreciation	Net
Aerial maps	$ 10,630	$ 6,910	$ 3,720
Office equipment & furniture	20,317	17,286	3,031
Recorders	35,691	24,777	10,914
Total	$ 66,638	$ 48,973	$ 17,665

Depreciation is computed on a straight-line basis over the estimated useful lives ranging from five to ten years.

6. PENSION PLAN

The district's employees are participants in the federal social security system. Employees contribute 7.65% of their pay and the district matches 7.65%. The district has no liability for benefit payments other than current payroll taxes.

Richard M. Seal

Certified Public Accountant

732-2536

Post Office Box 128

Bogalusa, Louisiana 70429-0128

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Washington Parish Communications District
Franklinton, LA

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Washington Parish Communications District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Washington Parish Communications District's compliance with certain laws and regulations during the two years ended December 31, 1995 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 two years 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 1994 or 1995 for materials and supplies exceeding $5,000 and no expenditures for public works.

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 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.

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

Budgeting

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

   Because the district operates as an enterprise fund, neither state statute nor generally accepted accounting principles requires that a budget be adopted. Accordingly, no budget was adopted for 1994.

   Although not required, management provided me with a copy of the original budget for 1995. There were no amendments to the budget during the year.

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

   I traced the adoption of the original budget for 1995 to the minutes of a meeting held on March 30, 1995 which was three months after the budget deadline required in R.S. 39:1301-1305. No amendments were made to the budget during the year.

7. Compare the revenues and expenses of the final budget to actual revenues and expenses to determine if actual revenues or expenses exceed budgeted amounts by more than 5%.

   I compared the revenues and expenses of the final budget for 1995 to actual revenues and expenses. Actual revenues and expenses for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 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 six selected disbursements for 1994 and 1995 and found that payment was for the proper amount and made to the correct payee.

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

   All payments were coded to the correct fund and general ledger account.

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

   All disbursements were traced to Washington Parish Communications District's minute book where they were approved by the full commission.

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).

   Management advertised each meeting in its official journal.

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 for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

    A reading of the minutes of Washington Parish Communications District for the two years indicated no approval for the payments noted. A review of the Washington Parish Communications District check register disclosed no payments which may have constituted bonuses, advances, or gifts.

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 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.

Richard M. Seal

Certified Public Accountant

Bogalusa, Louisiana
June 14, 1996

APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

February 22, 1996 Date

Richard M. Seal
Post Office Box 128
Bogalusa, La. 70429-0128
(Auditors)

In connection with your compilation of our financial statements as of December 31, 1995 and for the period 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 2-22-96 (date).

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 [X] 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 [X] 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 [X] 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 39:43.

Yes [X] No [ ]

Accounting and Reporting

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 [X] No [ ]

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

Yes [X] No [ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No [ ]

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

Yes [X] 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 47:1410.60.

Yes [X] 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 [X] 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.

James M. Coleman	Secretary	2-29-96	Date
Nancy J. Petruff	Treasurer	2-22-96	Date
[illegible]	President	2-29-96	Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.

Revised 1/1996