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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 Year Ended December 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Louisiana Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 10 1998

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT - CERTIFIED GOVERNMENT FINANCIAL MANAGER

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

December 31, 1997

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RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

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 year ended December 31, 1997, 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.



Certified Public Accountant

Bogalusa, Louisiana
May 22, 1998

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, 1997

		Proprietary Fund Type Enterprise Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 51,824	
Investments	88,000	
Accounts receivable	13,760	
Prepaid expenses	8,644	
Total current assets		\$ 147,798
Property, plant and equipment	88,047	
Less accumulated depreciation	(61,826)	
Net property, plant and equipment		26,221
Other assets:		
Utility deposit	315	
Total other assets		315
Total Assets		\$ 171,248
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 6,377	
Accrued payroll taxes	835	
Total current liabilities		\$ 7,192
Fund equity:		
Retained earnings:		
Designated:		
Designated for road signs	5,163	
Designated for aerial map revisions	10,000	
Designated for equipment replacement	(61,000)	
Undesignated	118,885	
Total fund equity		62,048
Total Liabilities and Fund Equity		\$ 171,248

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 year ended December 31, 2007

		<u>Proprietary Fund Type</u> <u>Enterprise Fund</u>
Revenue:		
Emergency telephone service charge	\$ 100,000	
Interest	4,875	
Sign income	147	
Slip income	1,018	
Other income	<u>58</u>	
Total revenue		\$ 106,098
Expense:		
Service and maintenance fee	79,113	
Salaries	29,228	
Payroll taxes	2,348	
Depreciation	8,817	
Maintenance contract	3,000	
Repairs & maintenance	188	
Rent	2,648	
Office	1,514	
Utilities	2,813	
Signs	337	
Legal and professional	2,850	
Insurance	1,500	
Travel	1,351	
Training materials	850	
Miscellaneous	<u>1,225</u>	
Total expenses		<u>136,577</u>
Net income for the year		69,521
Retained earnings, beginning		<u>141,822</u>
Retained earnings, ending		\$ 211,343

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 year ended December 31, 1997

		Proprietary Fund Type <u>Extension Fund</u>
Cash flows from operating activities:		
Operating income	\$ 22,200	
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	8,837	
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(224)	
Prepaid expense	256	
Increase (decrease) in accounts payable and accrued expenses	(22)	
Net cash provided by operating activities	\$ 31,017	
Cash flows from investing activities:		
Payment for property and equipment	(15,807)	
Payment for purchase of Certificates of Deposits	(48,820)	
Net cash provided by investing activities	(64,627)	
Net cash increase (decrease) for the year		(34,890)
Cash at beginning of year		78,124
Cash at end of year		\$ 43,234

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 year ended December 31, 1997

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 33:9011-9106. 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 13,000 residences and 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.

I. 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 (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 Police Jury is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the

WASHINGTON PARISH COMMUNICATIONS DISTRICT
Franklinton, Louisiana

Notes to the General-Purpose Financial Statements (continued)

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.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
Franklin, Louisiana
Notes to the General Purpose Financial Statements (continued)

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 resource 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 Commission, 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 \$3.55 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.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
Franklinton, Louisiana
Notes to the General-Purpose Financial Statements (continued)

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:

WASHINGTON PARISH COMMUNICATIONS DISTRICT
Franklin, Louisiana
Notes to the General-Purpose Financial Statements (continued)

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 690, 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.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
Franklinton, Louisiana
Notes to the General-Purpose Financial Statements (continued)

2. CASH AND CASH EQUIVALENTS

At December 31, 1997, the district had cash and cash equivalents (bank balances) totaling \$51,324.

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, 1997, the district had \$52,288 in deposits/collected bank balances. These deposits are fully insured by FDIC insurance.

3. INVESTMENTS

At December 31, 1997, the district held investments of Certificates of Deposit totaling \$60,000. These investments are fully insured by FDIC insurance.

4. RECEIVABLES

The following is a summary of receivables at December 31, 1997:

Bell South	<u> \$12,740</u>
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5. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 1997 follows:

WASHINGTON PARISH COMMUNICATIONS DISTRICT
 Franklinton, Louisiana
 Notes to the General-Purpose Financial Statements (continued)

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Aerial maps	\$ 18,030	\$ 9,034	\$ 1,596
Office equipment & furniture	34,941	19,549	8,092
Recorders	49,814	38,275	11,539
Total	\$ 102,785	\$ 64,858	\$ 31,235

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

8. 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.

INDEPENDENT ACCOUNTANTS' 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 year ended December 31, 1997, 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 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 \$5,000, or public works exceeding \$99,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2213 (the public bid law).

The District purchased a 12-channel recorder for \$11,722.78 in May, 1997, without advertising for bids.

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 48:1101-1124 (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 (1) 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. Obtain 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.

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

N/A

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%.

N/A

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;

There was no supporting documentation for one of the six disbursements tested. Done.

(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.

Inspection of documentation supporting each of the six disbursements indicated approval from the Treasurer and Chairman of the Board. In addition, all major purchases were approved by the full board.

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 year 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. Acuff

Certified Public Accountant

Bogalusa, Louisiana
May 22, 1988

LOUISIANA ATTESTATION QUESTIONNAIRE

NOV 13, 1995 Date

RICHARD H. SCHEM, CPA
PARTY OFFICER, BOGALUSA
BOGALUSA, LA 70019-0128

(Auditors)

In connection with your completion 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 regulations 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 NOV 13, 1995 (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 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 42:1121-1135.

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 39:43.

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 44.35.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 31:463, and/or 39:82, as applicable.

Yes No

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

Summary Schedule of Prior Compilation Findings
For the Year Ended December 31, 1997

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Findings	Corrective Action Taken (Yes, No, Partially)
94-1	1996	At December 31, 1996, the district had \$116,788 in cash and investments in one bank. The excess of \$16,700 over the \$100,000 FDIC insurance was not collateralized.	Yes

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

Corrective Action Plan for Current Year Compilation Findings
 For the Year Ended December 31, 1997

Ref. No.	Description of Findings	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
27-1	The test of disbursements indicated that one disbursement of \$200 for petty cash had no supporting documentation. I recommended that an "imprest" petty cash system be implemented, whereby a fixed dollar amount be maintained at all times, either in cash or paid-out tickets. The paid-out tickets would then be used as supporting documentation for reimbursement to restore the fixed amount of petty cash.	An "imprest" petty cash system will be implemented immediately.	Karen Miller	May 11, 1998
27-2	In May, 1997 a 12 channel recorder for \$13,712.70 was purchased without advertising for bids. U.S. 38-211 (The Public Bid Law) requires, among other things, that purchases of materials and supplies in excess of \$10,000 be advertised and let to the lowest responsible bidder.	We will obtain a copy of R. S. 38-211, become familiar with it, and comply with its requirements.	Karen Miller	June 30, 1998

