

WASHINGTON PARISH COMMUNICATIONS DISTRICT

Franklinton, Louisiana

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

As of and for the Year Ended December 31, 2006

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 7/25/07

William R. Durden

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

Independent Accountant's Review Report
With supplemental Information Schedules
&
Independent Accountant's Report on
Agreed-Upon Procedures
As of and for the Year Ended December 31, 2006

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WASHINGTON PARISH COMMUNICATIONS DISTRICT
FRANKLINTON, LOUISIANA

TRANSMITTAL LETTER

APRIL 20, 2007

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, 2006. 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

William R. Durden

*Certified Public Accountant
Limited Liability Company*

820 11TH AVENUE
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(985) 839-4413
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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 reviewed the accompanying general-purpose financial statements of the Washington Parish Communications District, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents, and the accompanying management's discussion and analysis, and supplementary information schedules on pages 3 through 8 and 22 through 23 respectively, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the board of commissioners of the Washington Parish Communications District.


A review consists principally of inquiries of the District's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis, on pages 3 through 8, is not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the management's discussion and analysis, and accompanying supplementary schedules, pages 3 through 8 and 22 through 23 are presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made to them.

In accordance with the *Louisiana Audit Guide* and the provisions of state law, I have issued a report, dated April 20, 2007, on the results of my agreed-upon procedures.


William R. Durden,
Certified Public Accountant
Franklinton, Louisiana

APRIL 20, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2006 were \$939,202, and exceeded total liabilities in the amount of \$927,943 (i.e., net assets). Of the total net assets, \$347,943 was unrestricted and available to support short-term operations, \$534,618 was the balance invested in capital assets, net of related debt, and \$45,163 was reserve for equipments.
- User fee revenues (phone bill charges-regular and cell) for the fiscal year ending December 31, 2006 increased from the prior year by \$68,195 (20.20%). Wire-line fees decreased from \$156, 535 in 2005 to \$151,255 in 2006, and wireless fees increased from \$180,921, in 2005 to \$253,063 in 2006.
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest income, decreased by \$15,320 (5.16%). Total operating expenses for 2006 were \$281,502 as compared to \$296,822 for 2005. Maintenance expense decrease by \$24,980. Depreciation expense was \$67,200.
- Interest income for the fiscal year ended December 31, 2006 totaled \$8,712 representing a increase of \$4,306. Corresponding investments in bank certificates of deposits increase \$69,405 from \$173,935 at December 31, 2005 to \$242,980 at December 31, 2006.
- At present, the District is not obligated for any long-term debt.

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 the 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 District's 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. They 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..

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

Management's Discussion and Analysis

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 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

	December 31, 2006	December 31, 2005	Dollar Change	Percent Change
Current and Other Assets	\$404,584	\$314,106	\$90,478	28.80%
Capital Assets	534,618	469,731	64,887	13.81%
Total Assets	<u>\$939,202</u>	<u>\$783,837</u>	<u>\$155,365</u>	19.82%
Other Liabilities	11,478	13,453	1,975	14.68%
Total Liabilities	<u>\$11,478</u>	<u>\$13,453</u>	<u>\$1,975</u>	14.68%
Invested in Capital Assets, Net of Related Debt	534,618	469,731	64,887	13.81%
Restricted for Capital Activity and Debt Service	45,163	45,163	-	0.00%
Unrestricted	347,943	255,490	92,453	36.19%
Total Net Assets	<u>927,724</u>	<u>770,384</u>	<u>157,340</u>	20.42%

For additional detail refer to "Statement A" on page 9.

The major component of change for "Current and Other Assets" is an increase in cash and investments of \$93,635..

"Current Liabilities" decreased by \$1,975, due primarily to the decrease in accounts payable.

"Total Net Assets" (total assets less total liabilities) increased by \$157,340 for the fiscal year ending December 31, 2006, which is the net operating income for year.

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

Management's Discussion and Analysis

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

	Year Ended December 31, 2006	Year Ended December 31, 2005	Dollar Change	Percent Change
Revenues:				
Operating Revenues	\$405,726	\$337,531	\$68,195	20.20%
Non-operating Revenues	33,116	4,542	28,574	629.11%
Total Revenues	<u>438,842</u>	<u>342,073</u>	<u>96,769</u>	28.29%
Expenses:				
Depreciation Expense	67,200	67,586	(386)	-0.57%
Other Operating Expense	214,302	229,236	(14,934)	-6.51%
Total Expenses	<u>281,502</u>	<u>296,822</u>	<u>(15,320)</u>	-5.16%
Changes in Net Assets	<u>157,340</u>	<u>45,251</u>	<u>112,089</u>	247.71%
Beginning Net Assets	<u>770,384</u>	<u>725,133</u>	<u>45,251</u>	
Ending Net Assets	<u>\$927,724</u>	<u>\$770,384</u>	<u>\$157,340</u>	20.42%

For Additional detail refer to "Statement B" page 10.

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) increased \$68,195 (20.20%). Non-operating Revenues, consisting of interest income and timber sale, increased by \$28,574. While operating expenses decreased by \$15,320 resulting in an increase in "Changes in Net Assets" of \$112,089.

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. It is followed by an 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, 2006

	Budget Year Ended December 31, 2006	Actual Year Ended December 31, 2006	Favorable (Unfavorable) Variance
Revenues:			
Operating	\$407,633	\$405,726	(1,907)
Nonoperating	32,392	33,116	724
Total Revenues	<u>440,025</u>	<u>438,842</u>	<u>(1,183)</u>
Operating Expenses:			
Accounting & Auditing	4,500	3,000	1,500
Service & maintenance	133,446	102,928	30,518
Salaries, contract, payroll tax	61,353	61,165	188
Travel	0	1,073	(1,073)
Depreciation	67,200	67,200	0
Insurance	12,942	12,246	696
Office & Computer Expense	4,143	4,263	(120)
Training	7,050	6,852	198
Legal & Professional Fees	2,400	2,400	0
Rent	4,800	3,400	1,400
Utilities	10,103	10,458	(355)
Other Operating Expense	5,233	6,517	(1,284)
Total Operating Expenses	<u>313,170</u>	<u>281,502</u>	<u>31,668</u>
Income (Loss)	<u>\$126,855</u>	<u>\$157,340</u>	<u>\$30,485</u>

"Actual Operating Revenues" were under "Budget Operating Revenues" by \$1,907 (0.47%). Total actual "Operating Expenses" were \$31,668 under budgeted "Operating Expenses". The District was in compliance with the Budget Act. .

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, 2006, Washington Parish Communications District had \$534,618 (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, 2006	December 31, 2005	Dollar Change	Percent Change
Land	\$74,044	\$18,184	55,860	307.19%
Office equipment & furniture	19,921	18,958	963	5.08%
Vehicles	29,327	29,327	-	0.00%
Mapping equipment	107,315	68,933	38,382	55.68%
Communication equipments	328,488	308,808	19,680	6.37%
Recording equipment	31,213	31,213	-	0.00%
Maps	103,174	103,174	-	0.00%
Construction in progress	16,902	-	16,902	100.00%
Other equipment	19,022	18,722	300	1.60%
Subtotal	\$729,406	\$597,319	132,087	22.11%
Less: Accumulated Depreciation	(194,788)	(127,588)	(67,200)	52.67%
Net Capital Asssets	\$534,618	\$469,731	\$64,887	13.81%

The District purchased a CAD System for \$19,680, mapping software for \$38,382, consult fees and engineering services for \$16,902, and land for the new building of \$55,680.

Future Economic Plans

The District in 2006 purchased land for the Communication Center. The District has hired an engineer to due preliminary work on the new building. District does intend to pursue grant funding for the construction of the Communication Center. The District is also pursuing the possibility of financing the new building through the issue of revenue bonds.

FINANCIAL STATEMENTS

STATEMENT A

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE
December 31, 2006

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 92,316
Investments	242,980
Accounts Receivable	44,814
Accrued Interest Receivable	126
Prepaid Insurance	6,742
Prepaid contract	17,415
Utility Deposits	191
Total Current Assets	<u>404,584</u>

Noncurrent Assets:

Capital Assets:	
Equipment	655,362
Less accumulated depreciation	<u>(194,788)</u>
	460,574
Land	<u>74,044</u>
Capital Assets, Net	<u>534,618</u>
Total Assets	<u>939,202</u>

Liabilities

Current Liabilities:

Accounts Payable	9,430
Payroll taxes payable	<u>2,048</u>
Total Current Liabilities	<u>11,478</u>
Total Liabilities	<u>11,478</u>

Net Assets

Invested in Capital Assets, net of related debt	534,618
Reserve for Equipments	45,163
Unrestricted	<u>347,943</u>
Total Net Assets	<u>\$ 927,724</u>

See accountant's report and accompanying notes to financial statements

STATEMENT B

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, 2006

Operating Revenues:	
Wireline Income	\$ 151,255
Wireless Income	253,063
Map Income	140
Sign Fund Income	220
Miscellaneous	1,048
Total Operating Revenue	<u>405,726</u>
Operating Expenses:	
Service & Maintenance	83,463
Salaries	55,826
Contract Labor	952
Telephone	6,998
Travel	1,073
Depreciation	67,200
Accounting	3,000
Office Supplies	4,263
Insurance	12,246
Payroll Taxes	4,387
Legal Fees	2,400
Service & Maintenance - other	18,858
Repairs & Maintenance	607
Rent	3,400
Training	6,852
Utilities	3,460
Automobile Expense	4,628
Dues & Subscriptions	789
Street Signs	487
Entertainment & Meals	293
Map reprints	-
Professional Fees	255
Miscellaneous	65
Total Operating Expenses	<u>281,502</u>
Operating Income	<u>124,224</u>
Nonoperating Revenues & (Expenses):	
Interest Income	8,712
Timber revenue	24,404
Total Nonoperating Revenues	<u>33,116</u>
Change in Net Assets	157,340
Total Net Assets, Beginning of Year	<u>770,384</u>
Total Net Assets, End of Year	<u>927,724</u>

See accountant's report and accompanying notes to financial statements

STATEMENT C

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, 2006

Cash flows from operating activities:	
Cash received from customers	\$ 422,451
Other receipts	1,048
Cash payments for goods and services	(175,108)
Cash payments for employees	<u>(55,826)</u>
Net cash provided (used) by operating activities	<u>192,565</u>
Cash flows from capital and related financing activities:	
Cash transferred to investments	(69,045)
Interest from investments	8,712
Receipts from timber sale	24,404
Purchased of equipments	<u>(132,046)</u>
Net cash provided (used) by financing activities	<u>(167,975)</u>
Net increase (decrease) in cash and equivalents	24,590
Cash and cash equivalents, beginning of year	<u>67,726</u>
Cash and cash equivalents, end of year	<u><u>92,316</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 124,224
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	67,200
(Increase) decrease in accounts receivable	17,773
(Increase) decrease in prepaid insurance	(1,592)
(Increase) decrease in prepaid contract	(13,065)
Increase (decrease) in accounts payable	(1,995)
Increase (decrease) in accrued expenses	20
Total adjustments	<u>68,341</u>
Net cash provided (used) by operating activities	<u><u>192,565</u></u>

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, 2006

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, 2006

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, 2006

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)
Franklinton, Louisiana

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2006

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 \$.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 2006 was presented for adoption at the December 2005 board meeting held by the District on December 6, 2005. The budget is prepared on the accrual basis of accounting. The board reviewed the 2006 budget and amended the budget at its December 14, 2006 meeting. The 2007 budget were adopted at the December meeting held on December 14, 2006.

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, 2006

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.

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, 2006

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, 2006, the District had cash and cash equivalents (book balances) totaling \$92,316.

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, 2006, the District had \$95,869 in deposits (collected bank balances), at Capital One Bank which were secured by federal deposit insurance of \$147,323.

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, 2006

3. INVESTMENTS

At December 31, 2006, the District held investments of Certificates of Deposit in three local banks amounting to \$242,980, as follows:

	Cash Equivalent	Pledge Security
Resource Bank	\$ 92,000	100,000
Zellco Federal Credit Union	100,858	100,000
Hancock Bank	50,122	100,000
Total Investments	\$ 242,980	\$ 300,000

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 Capital One Bank exceeded the FDIC insurance but sufficient collateral of pledged securities from Capital One covered the amounts in excess of \$100,000. The FDIC insurance of \$100,000 for each bank is sufficient collateral for the deposit held by the entities.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2006.

Wire-line service:	
Bell South	\$ 12,322
Wireless (celluar) service:	
Cingular	\$ 17,878
Sprint	11,006
Other providers	3,608
Total Wireless	32,492
Total Receivables	\$ 44,814

:

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, 2006

5. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 2005 follows

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Vehicles	\$ 29,327	\$ -	\$ -	29,327
Office equipment & furniture	18,958	963		19,921
Communication equipments	308,808	19,680		328,488
Mapping equipment	68,933	38,382		107,315
Maps	103,174			103,174
Other equipment	18,722	300		19,022
Construction in progress		16,902		16,902
Recording equipment	31,213	-		31,213
Total capital assets being depreciated	579,135	76,227		655,362
Less accumulated depreciation	(127,588)	(67,200)		(194,788)
Total capital assets being depreciation-net	451,547	9,027		460,574
Land	18,184	55,860		74,044
Capital Assets, net	<u>\$ 469,731</u>	<u>\$ 64,887</u>		<u>534,618</u>

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

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, 2006

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, 2006:

Total funds received from wireless service charges	\$ 253,063
Capital expenditures made solely for wireless 9-1-1	\$ 75,885
Capital expenditures made solely for wire-line 9-1-1	\$ 60,457

(The allocation of capital expenditures with a combined wireless/ wire-line impact is based on a 60% wireless and 40% wire-line call volume percentage.)

Balance of capital expenditures not allocated to wire-line or wireless	\$ 1,106
--	----------

Status of Phase 1 Implementation:

The Washington Parish Communications District in 2006, implemented a comprehensive plan to improve the capabilities of the "integrate 911 telephone system" to provide enhanced communications services. Phase 1 and Phase 2 wireless services are both in operation. Capital expenditures in 2006 were directed toward the improvement of equipment to both wireless and wire-line call handling. In addition, considerable staff time has been directed towards improving the accuracy of both phase 1 and 2 data coming in from the wireless service providers.

Cost of improvements allocated to wireless service was calculated based on increased wireless call volume estimated to be 60 percent. Total GIS related charges were \$32,210. GIS improvements will continue into 2006 and beyond.

Hurricane Katrina did major damage to Washington Parish, but the 9-1-1 equipment sustain no damage from the storm. The hurricane did, however, slow the ongoing Phase 1 and Phase 2 improvement projects and the related spending.

Wireless service charges earned but not utilized in 2006 will allow continued system improvements in the future.

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, 2006

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 \$55,860.. Building and equipment costs for this proposed system are well beyond the present retained earnings of the District and will acquire state and federal appropriations.

Appropriation requests in amount of \$7.6 million dollars have been requested from the State of Louisiana via HB 02.

7. RESERVE FOR EQUIPMENT

The Communication District has reserved \$45,163 for the replacement of equipment.

8. LITIGATION AND CLAIMS

As of December 31, 2006 there were no litigations or claims against the District.

9 RELATED PARTY TRANSACTIONS

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

10. 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, 2006

	Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
Revenues:				
Wireline Income	\$ 158,540	\$ 163,378	\$ 151,255	\$ (12,123)
Wireless Income	206,280	242,764	253,063	10,299
Map Income		158	140	(18)
Sign Fund Income	48	285	220	(65)
Miscellaneous	-	1,048	1,048	-
Total Revenue	<u>362,868</u>	<u>407,633</u>	<u>405,726</u>	<u>(1,907)</u>
Expenses:				
Service & Maintenance	80,052	82,558	83,463	(905)
Salaries	48,456	57,000	55,826	1,174
Contract Labor	156	-	952	(952)
Telephone	4,944	6,861	6,998	(137)
Travel	156	-	1,073	(1,073)
Depreciation	69,900	67,200	67,200	-
Accounting	3,084	4,500	3,000	1,500
Office Supplies	5,724	4,143	4,263	(120)
Insurance	13,860	12,942	12,246	696
Payroll Taxes	4,476	4,353	4,387	(34)
Legal Fees	2,400	2,400	2,400	-
Service & Maintenance, other	32,892	50,888	18,858	32,030
Repairs & Maintenance	1,308	-	607	(607)
Rent	4,800	4,800	3,400	1,400
Training	840	7,050	6,852	198
Utilities	2,988	3,242	3,460	(218)
Automobile Expense	4,128	3,596	4,628	(1,032)
Dues & Subscriptions	384	614	789	(175)
Street Signs	336	707	487	220
Advertising	432	-	-	-
Entertainment & Meals	264	-	293	(293)
Map Reprints	-	-	-	-
Bank Charges	192	83	-	83
Professional Fees	1,104	233	255	(22)
Miscellaneous	36	-	65	(65)
Total Expenses	<u>282,912</u>	<u>313,170</u>	<u>281,502</u>	<u>31,668</u>
Operating Income	79,956	94,463	124,224	29,761
Non-operating revenues & Expenses				
Interest income	4,260	7,988	8,712	724
Timber revenues	-	24,404	24,404	-
Total non-operating revenues	<u>4,260</u>	<u>32,392</u>	<u>33,116</u>	<u>724</u>
Change in Net assets	84,216	126,855	157,340	30,485
Retained Earnings, Beginning of Year	770,384	770,384	770,384	-
Retained Earnings, End of Year	850,340	897,239	927,724	30,485

See accountant's report and accompanying notes to financial statements

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

SUPPLEMENTAL INFORMATION SCHEDULE
Year Ended December 31, 2005

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

	<u>Term</u>
Mr. James Coleman, Chairman 1530 Military Rd. Bogalusa, La. 70427	12/31/2008
Mr. Mike Stogner, Vice-Chairman 11389 Dutch Stogner Bogalusa, La. 70427	12/31/2008
Mrs Cynthia August, Secretary 2387 Hwy 430 Franklinton La. 70438	12/31/2010
Mr. Gary Fenner, Treasurer 35483 Dock Butler Rd. Mt. Hermon, La. 70450	12/31/2007
Mr. Joshua Bridges 14086 Bridges Rd. Bogalusa, La. 70427	12/31/2007
Mr. Mike Miller 28140 River Rd. Mt. Hermon, La. 70450	12/31/2008
Mr. Jason Verret 616 N. Bankston Drive Bogalusa, La. 70427	12/31/2010

See accountant's compilation report.

**INDEPENDENT
ACCOUNTANT'S REPORT**

William R. Durden

*Certified Public Accountant
Limited Liability Company*

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, 2006, 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).

The District had an expenditure that exceeded \$20,000. The purchase was made in accordance with LSR-RS38:2211-2251 (the public bid law). There were no expenditures for public works exceeding \$100,000. All purchases were made in accordance with LSR-RS 38:2211-2251 (the public bid law).

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 provided by management in procedure (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 2006.

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 2006.

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

The original budget for the year ended December 2006 was adopted at the regular meeting held by the District on December 6, 2005, and made a part of the minutes of that meeting. The original budget was amended at meeting held on December 14, 2006.

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 revenues were under budget by .47%. Actual expenditures for the year were under budget amounts by 10.12%. The District was in compliance with budget requirements.

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 fifteen 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 fifteen 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.

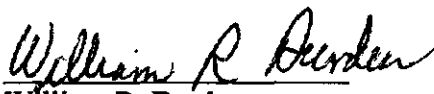
The District has two employees. A review of their pay records indicated no instances which would indicate payments constituting bonuses, advances, or gifts. I also reviewed the minutes of board meetings and there were no instances which indicated a change in pay during the year.

Prior Comments and Recommendations

12. Management corrected prior year comments.

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

April 20, 2007

LOUISIANA ATTESTATION QUESTIONNAIRE

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

December 30, 2006 _____ (Date Transmitted)

Washington Parish Communication District

William R. Durden, CPA _____ (Auditors)

In connection with your review of our financial statements as of December 31, 2005 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 (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

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 federal, state, and local grants, to include the applicable 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 will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

<u><i>Cashia Bridges</i></u>	Secretary	<u>4-5-07</u>	Date
<u><i>Don L. Fenne</i></u>	Treasurer	<u>4-5-07</u>	Date
<u><i>Jan M. Allen</i></u>	President	<u>4-5-07</u>	Date