

**Washington Parish Communications District  
of the  
Washington Parish Government  
Franklinton, Louisiana**

**Annual Financial Statements  
As of the Year Ended December 31, 2014 and 2013  
With Supplemental Information Schedules**

*Minda B. Raybourn*

*Certified Public Accountant*

*Limited Liability Company*

820 11<sup>TH</sup> AVENUE

FRANKLINTON, LOUISIANA 70438

(985) 839-4413

FAX (985) 839-4402

**Washington Parish Communications District  
of the  
Washington Parish Government**

# Franklinton, Louisiana

## Annual Financial Statements With supplemental Information Schedules As of the Year Ended December 31, 2014 and 2013

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MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

## INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the business-type activities of the Washington Parish Communications District, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Washington Parish Communications District as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-12 and 30, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Parish Communication District's basic financial statements. The accompanying schedules listed as compensation of board members and compensation, benefits, and other payments to the agency head are presented for purposes of additional analysis and are not a required part of the basis financial statements.

The schedule of compensation, benefits, and other payments to the agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information for the year ended December 31, 2014 in the schedule listed as compensation benefits, and other payments to the agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The compensation of board members have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly I do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2015, on my consideration of the Washington Parish Communication District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Franklinton's internal control over financial reporting and compliance.

*Minda Raybourn*

Minda Raybourn  
Franklinton, LA  
June 30, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Washington Parish Communications District**

**A 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, 2014 were \$1,766,886, and exceeded total liabilities in the amount of \$1,333,733 (i.e., net position). Of the total net position, \$179,952 was unrestricted and available to support short-term operations, \$1,048,592 was the balance invested in capital assets, net of related debt, \$60,026 was restricted for debt service, and \$60,026 was reserved for equipment.
- User fee revenues (phone bill charges-regular and cell) for the fiscal year ending December 31, 2014 increased from the prior year by \$11,746 (2.26%).
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest expense, increased by \$32 (0.01%). Total operating expenses for 2014 were \$381,763 as compared to \$381,731 for 2013.
- Interest expense incurred in 2014 was \$15,126.
- Interest income for the fiscal year ended December 31, 2014 totaled \$79, representing a decrease of \$787.

**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 Position, Statement of Revenues, Expenses, Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position 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 Position, accounts for the operation of the Communication District's revenues and expenses for the fiscal year and the resulting change in net position, and provides information on how net position 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.

**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 Position, and the Statement of Revenues, Expenses, and Changes in Net Position, are presented below in condensed format. These statements report the net position, the difference between assets and liabilities, and the change in Net Position, 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 Statement of Net Position**

	December 31, 2014	December 31, 2013	Dollar Change	Percent Change
Current and Other Assets	\$ 298,294	\$ 240,113	\$ 58,181	24.23%
Capital Assets	1,468,592	1,499,565	(30,973)	-2.07%
Total Assets	<u>\$ 1,766,886</u>	<u>\$ 1,739,678</u>	<u>27,208</u>	<u>1.56%</u>
Current Liabilities	38,153	36,550	1,603	4.39%
Long Term Debt Outstanding	395,000	420,000	(25,000)	-5.95%
Total Liabilities	<u>433,153</u>	<u>456,550</u>	<u>(23,397)</u>	<u>-5.12%</u>
Invested in Capital Assets				
Net of Related Debt	1,048,592	1,054,565	(5,973)	-0.57%
Restricted for Debt Service	60,026	59,864	162	0.27%
Restricted for Capital Activity	45,163	45,163	-	0.00%
Unrestricted	179,952	123,536	56,416	45.67%
Total Net Position	<u>1,333,733</u>	<u>1,283,128</u>	<u>50,605</u>	<u>3.94%</u>

For additional detail refer to "Statement A" on page 14.

The major component of change for "Current and Other Assets" is an increase in cash of \$56,968.

"Current Liabilities" increased by \$1,603 primarily due to the increase in accounts payable.

"Long Term Debt Outstanding" decreased due to the payment of principal of \$25,000.

"Total Net Position" (total assets less total liabilities) increased by \$50,605 for the fiscal year ending December 31, 2014, which is the net operating income for the year.



**A Component Unit of the  
Parish of Washington, Louisiana  
Management's Discussion and Analysis**

**Condensed Statement Changes in Net Position**

	December 31, 2014	December 31, 2013	Dollar Change	Percent Change
Revenues				
Operating Revenues	\$ 532,100	\$ 520,354	\$ 11,746	2.26%
Non-Operating Revenues	79	364	(285)	-78.3%
Total Revenues	<u>532,179</u>	<u>520,718</u>	<u>11,461</u>	<u>2.20%</u>
Expenses:				
Depreciation Expense	84,685	62,654	22,031	35.16%
Other operating Expenses	381,763	381,731	32	0.01%
Non-operating Expenses	15,126	15,913	(787)	-4.95%
Total Expenses	<u>481,574</u>	<u>460,298</u>	<u>21,276</u>	<u>4.62%</u>
Change in Net Position	<u>50,605</u>	<u>60,420</u>	<u>(9,815)</u>	<u>-16.24%</u>
Beginning Net Position	<u>1,283,128</u>	<u>1,222,708</u>	<u>60,420</u>	<u>4.94%</u>
Ending Net Position	<u>\$ 1,333,733</u>	<u>\$ 1,283,128</u>	<u>50,605</u>	<u>3.94%</u>

For additional detailed information refer to "Statement B" page 15.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Fund Net Position 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 \$11,746 (2.26%). Non-operating Revenues decreased by \$285 (78.3%). Operating expenses remained relatively the same as expenses only decreased by \$32. Non-operating expense, which consists solely of interest expense, decreased by \$787. Depreciation expense increased \$22,031.

**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 was adopted November 5, 2013. The budget was amended at the November 18, 2014 meeting.

**Washington Parish Communications District  
A 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, 2014

	Budget Year Ended December 31, 2014	Actual Year Ended December 31, 2014	Favorable (Unfavorable) Variance
Revenues			
Operating	471,133	532,100	60,967
Nonoperating	3,480	79	(3,401)
Total Revenues	<u>474,613</u>	<u>532,179</u>	<u>57,566</u>
Operating Expenses			
Equipment & Line Fees	100,080	91,013	9,067
Salaries & Related Benefit	108,360	112,596	(4,236)
Telephone	6,861	8,178	(1,317)
Travel	9,600	4,253	5,347
Depreciation	-	84,685	(84,685)
Interest Expense	16,500	15,126	1,374
Accounting & Legal Fees	9,396	10,149	(753)
Office Supplies	6,000	8,790	(2,790)
Insurance	37,392	36,476	916
Service & Maintenance Contracts	40,228	46,326	(6,098)
Training	9,000	4,307	4,693
Repairs and Maintenance	12,000	18,283	(6,283)
Utilities	30,000	36,635	(6,635)
Automobile Expense	6,000	3,209	2,791
Other Expenses	3,397	1,548	1,849
Total Expenses	<u>394,814</u>	<u>481,574</u>	<u>(86,760)</u>
Change in Net Position	79,799	50,605	(29,194)
Net Position, Beginning of Year	<u>1,283,128</u>	<u>1,283,128</u>	<u>-</u>
Net Position, End of Year	<u>\$ 1,362,927</u>	<u>\$ 1,333,733</u>	<u>(29,194)</u>

**Washington Parish Communications District  
A 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, 2014, Washington Parish Communications District had \$1,468,592 (net of accumulated depreciation) recorded in capital assets. This includes wire line and wireless systems and improvements, the District's investment for the building, and land owned, for the communication's building site, including vehicles, for system operation. The changes in capital assets are presented in the table below.

	December 31, 2013	December 31, 2014	Dollar Change	Percent Change
Land	\$ 74,044	\$ 74,044	\$ -	0.00%
Building	742,155	748,330	6,175	0.83%
Communication equipment	527,673	534,265	6,592	1.23%
Other equipment	28,459	62,209	33,750	54.25%
Recording equipment	32,137	32,137	-	0.00%
Mapping Equipment	113,065	120,258	7,193	5.98%
Office equipments & Furniture	54,335	54,335	-	0.00%
Vehicles	22,447	22,447	-	0.00%
Maps	103,174	103,174	-	0.00%
Fixed Assets not being Depreciated	443,038	443,038	-	0.00%
Sub-total	2,140,527	2,194,237	(53,710)	-2.45%
Less Accumulated Depreciation	(640,960)	(725,645)	84,685	11.67%
Net Capital Asset	1,499,567	1,468,592	30,974	2.11%

The District made incurred several capital expenditures during 2014. Various improvements to communications equipment were \$6,592, various computer equipment, software and other for \$33,750, a fence for \$7,193 and various building improvements for \$6,175. Depreciation expense was incurred in the amount of \$84,685.

**Long-Term Debt**

The primary source of long term financing for the District is the Series 2012 Issue at \$465,000 financed through a private lender. Interest rates for the Series 2012 Bonds are 3.50%.

	2014	2013
Revenue Bonds	\$ 420,000	\$ 445,000

**Washington Parish Communications District  
A Component Unit of the**

**Parish of Washington, Louisiana  
Management's Discussion and Analysis**

**Future Economic Plans**

The District with the cooperation of the Washington Parish Government has built a new communications center at a cost of \$2,140,000 which includes additional equipment. The building cost will be funded by \$690,000 Louisiana State funds, \$350,000 Homeland Security funds, \$400,000 Revenue Bonds, and the remaining funds of \$700,000 from the Communication District. Approximately two-thirds of the building was placed in service during the fiscal year ending December 31, 2013 with the remainder of the building not in service at the end of the fiscal year. Future plans include the putting the remainder of the building in service and various capital purchases.

The District's management approach is conservative. When possible, the District will provide services based on existing revenues. Expenditures will be kept under control as much as possible.

## FINANCIAL STATEMENTS

## Schedule A

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

STATEMENT OF NET POSITION  
PROPRIETARY FUND TYPE  
December 31, 2014

<b>ASSETS</b>	2014	2013
Current Assets:		
Cash and Cash Equivalents	\$ 142,336	\$ 85,633
Investments	22,257	22,256
Accounts Receivable	58,347	38,619
Accrued Interest Receivable		59
Prepaid Insurance	129	3,230
Prepaid Contract	15,008	30,261
Utility Deposits	191	191
Total Current Assets	238,268	180,249
Noncurrent Assets:		
Restricted Cash	60,026	59,864
Capital Assets:		
Building	748,331	742,155
Equipment	928,826	881,290
Less accumulated Depreciation	(725,647)	(640,962)
Total Capital Assets	951,510	982,483
Fixed Asset Not in Use	443,038	443,038
Land	74,044	74,044
Capital Assets, Net	1,468,592	1,499,565
Total Assets	1,766,886	1,739,678
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	10,867	9,254
Payroll taxes Payable	2,286	2,296
Bonds Payable-Due Within One Year	25,000	25,000
Total Current Liabilities	38,153	36,550
Noncurrent Liabilities:		
Bonds Payable-Due in More Than 1 Year	395,000	420,000
<b>Net Assets</b>		
Invested in Capital Assets, net of related debt	1,048,592	1,054,565
Restricted for Debt Service	60,026	59,864
Restricted for Equipment	45,163	45,163
Unrestricted	179,952	123,536
Total Net Assets	\$ 1,333,733	\$ 1,283,128

The accompanying notes are an integral part of the financial statements.

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION  
PROPRIETARY FUND TYPE  
Year ended December 31, 2014

<b>Operating Revenues:</b>	2014	2013
Wireline Income	170,379	\$ 183,430
Wireless Income	356,315	336,828
Sign Fund Income	115	96
Other Income	5,291	-
Total Operating Revenue	532,100	520,354
<b>Operating Expenses:</b>		
Equipment & Line Fees	91,013	89,655
Salaries	90,510	90,510
Telephone	8,178	10,872
Travel	4,253	2,222
Depreciation	84,685	62,654
Accounting	7,749	5,641
Office Supplies	8,790	9,561
Insurance	36,476	46,283
Health Benefit	14,666	15,003
Payroll Taxes	7,420	7,493
Service & Maintenance Contracts	46,326	59,664
Legal Fees	2,400	2,400
Repairs and Maintenance	18,283	3,061
Rent	-	1,200
Training	4,307	5,113
Utilities	36,635	24,226
Automobile Expense	3,209	7,536
Dues & Subscriptions	375	742
Bank Fees	689	-
Street Signs	220	148
Professional Fees	-	311
Miscellaneous	264	90
Total Operating Expenses	466,448	444,385
Operating Income	65,652	75,969
Nonoperating Revenues & (Expenses):		
Interest Expense	(15,126)	(15,913)
Interest Income	79	364
Total Nonoperating Revenues	(15,047)	(15,549)
<b>Change in Net Assets</b>	50,605	60,420
<b>Total Net Assets, Beginning of Year</b>	1,283,128	1,222,708
<b>Total Net Assets, End of Year</b>	1,333,733	1,283,128

The accompanying notes are an integral part of the financial statements.

## Schedule C

WASHINGTON PARISH COMMUNICATION DISTRICT  
(A Component Unit of the Washington Parish Government)  
Franklinton, Louisiana  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
Year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 519,138	\$ 515,692
Cash received from others	5,406	-
Cash payments for goods and services	(283,423)	(303,820)
Cash payments for employees	(90,510)	(89,655)
Net cash provided (used) by operating activities	<u>150,611</u>	<u>122,217</u>
<b>Cash flows from capital and related financing activities:</b>		
Proceeds from capital debt	-	-
Purchases of capital assets	(53,712)	(1,019,016)
Payments from/to restricted assets	(40,280)	259,843
Net cash provided (used) by capital and related financing activities	<u>(93,992)</u>	<u>(759,173)</u>
<b>Cash flows from investing activities</b>		
Interest from investments	79	364
Proceeds from sale of investments	-	349,876
Net cash provided (used) by financing activities	<u>79</u>	<u>350,240</u>
<b>Net increase (decrease) in cash and equivalents</b>	56,698	(286,716)
Cash and cash equivalents, beginning of year	85,633	372,349
Cash and cash equivalents, end of year	<u>\$ 142,331</u>	<u>\$ 85,633</u>
<b>Reconciliation of cash equivalents and investment cash to statement of net position</b>		
Cash and cash equivalent	142,336	85,633
Total cash and cash equivalents	<u>\$ 142,336</u>	<u>\$ 85,633</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 65,652	\$ 75,969
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	84,685	26,741
(Increase) decrease in accounts receivable	(19,742)	(4,662)
(Increase) decrease in accrued interest receivable	59	-
(Increase) decrease in prepaid expenditures	18,354	29,912
Increase (decrease) in accounts payable	1,613	(5,870)
Increase (decrease) in payroll payable	(10)	127
Total adjustments	<u>84,959</u>	<u>46,248</u>
Net cash provided (used) by operating activities	<u>\$ 150,611</u>	<u>\$ 122,217</u>

The accompanying notes are an integral part of the 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, 2014**

**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 member board appointed by the parish government. Board members receive no compensation.

The District has equipped three public safety answering points: Washington Parish Sheriff's Office, Franklinton Police Department, and Bogalusa Police 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, 2014**

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, 2014**

**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**

Wire-line:

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 in 2012, AT&T Telephone Company began collecting a service charge of \$0.68 per residential and \$2.95 per commercial telephone line. AT&T remits monthly collections (less a 1% administrative fee) to the District by the fifteenth (15<sup>th</sup>) day of the following month. Currently, there are approximately 17,000 residential and 3,000 commercial lines 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 AT&T's 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.

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

**Expenses**

The District records expenses when the liability has been incurred.

**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, 2014**

**E. BUDGET PRACTICES**

At the meeting held on November 5, 2013, the 2014 budget was adopted. The amended budget was approved at the November 18, 2014 meeting. The budget is prepared on the accrual basis of accounting.

**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.

**G. RESTRICTED ASSETS**

Certain unspent proceeds from revenue bond obligations and certain resources are set aside for their repayment are classified as restricted assets on the statement of net position. They are maintained in separate bank accounts and their use is limited by applicable debt agreements.

**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, 2014**

**H. 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

**I. 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, 2014**

**J. NET POSITION**

**Restricted Net Position-**

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

**Unrestricted Net Position-**

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

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2014, the District had cash and cash equivalents (book balances) totaling \$142,331.

These deposits are stated at cost, which approximates market value. 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, 2014, the District had \$152,678 in deposits (collected bank balances), at Capital One Bank and \$60,026 in deposits at Regions Bank which were secured by federal deposit insurance.

**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, 2014**

**3. INVESTMENTS**

At December 31, 2014, the District held investments of Certificates of Deposit in three local banks amounting to \$22,262 as follows:

	Cash Equivalent	FDIC Pledge Security
Lamp	\$ 22,257	\$ -

These investments are stated at cost, which approximates market value. 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. The FDIC insurance of \$250,000 for each bank is sufficient collateral for the deposit held by Farm Bureau and Citizen Saving.

The investment in the Louisiana Asset Management Pool (LAMP), an external investment pool, is stated at the value of the pool shares, which is the same as the fair value. LAMP is administered by LAMP, Entities Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government's entities having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-RA 33:29. GASB 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.



**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, 2014**

LAMP is a 2a7 – like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rate AAAM by Standard and Poor’s
- Custodial credit risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirements.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. Lamp is designed to be highly liquid to give its participants immediate access to their account balances. The investments in are stated at fair market value based on quoted market rates. The fair market value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares

LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP, Inc. is not registered with the SEC as an investment company. LAMP, Inc., issues an annually publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or calling (800) 249-5267.

**4. RECEIVABLES**

The following is a summary of receivables at December 31, 2014:

Wireline/Wireless(Celluar) Service	
ATT	\$ 12,339
Other	46,008
Total Receivables	\$ 58,347

**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, 2014**

**5. RESTRICTED CASH**

The District maintains the following accounts due to restrictions imposed by the revenue bonds:

Restricted Cash:	
Debt Service Fund	19,443
Debt Reserve Fund	40,583
Total	60,026

**6. PROPERTY, PLANT AND EQUIPMENT**

A summary of fixed assets at December 31, 2014 follows:

	BEGINNING			ENDING
	January 1,	Additions	Deductions	December 31,
	2014			2014
Building	\$ 742,155	6,175	-	\$ 748,330
Communication equipment	527,673	6,592	-	534,265
Other equipment	28,459	33,750	-	62,209
Recording equipment	32,137	-	-	32,137
Mapping Equipment	113,065	7,193	-	120,258
Office equipments & Furniture	54,335	-	-	54,335
Vehicle	22,447	-	-	22,447
Maps	103,174	-	-	103,174
Total Capital Assets Being				
Depreciated	1,623,445	53,710	-	1,677,155
Less Accumulated Depreciation	(640,960)	(84,685)		(725,645)
Total Capital Assets Being				
Depreciated, Net	982,485	(30,975)	-	951,510
Fixed Assets not being Depreciated	443,038	-	-	443,038
Land	74,044	-	-	74,044
Capital Assets, Net	1,499,567	(30,975)	-	1,468,592

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, 2014**

**7. LONG-TERM DEBT**

Below is a summary of long term obligations for the year ended December 31, 2014:

	Beginning	Additions	Deductions	Ending	Due Within One Year
2012 Revenue Bonds	445,000	-	(25,000)	420,000	25,000

The District issued 2012 revenue bond for the new operations center in the amount of \$465,000. The bonds were issued for the purpose of the new communications center. The bonds are payable with semi-annual interest payments and annual principal payments with an annual interest rate at 3.50%, and mature on May 1, 2027.

The schedule to amortize all future debt service payments including interest of \$110,078 are show as follows:

Year Ending 12/31/2014	Principal	Interest	Total
2015	25,000	14,263	39,263
2016	25,000	13,388	38,388
2017	25,000	12,513	37,513
2018	25,000	11,638	36,638
2019	25,000	10,763	35,763
2020-2024	150,000	38,500	188,500
2025-2029	145,000	9,013	154,013
Total	420,000	110,078	530,078

**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, 2014**

**8. RESERVE FOR EQUIPMENT**

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

**9. LITIGATION AND CLAIMS**

As of December 31, 2014 there were no litigations or claims against the District.

**10. RELATED PARTY TRANSACTIONS**

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

**11. SUBSEQUENT EVENTS**

These financial statements considered subsequent events through June 30, 2015, the date the financial statements were available to be issued. No events were noted that required recording or disclosure in the financial statements for the fiscal year ending December 31, 2014.

## SUPPLEMENTAL INFORMATION

WASHINGTON PARISH COMMUNICATION 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, 2014

	Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
<b>Revenues:</b>				
Wireline Income	\$ 136,560	\$ 136,560	\$ 170,379	\$ 33,819
Wireless Income	334,130	334,130	356,315	22,185
Miscellaneous Income	158	158	5,291	5,133
Sign Fund Income	285	285	115	(170)
Total Revenue	<u>471,133</u>	<u>471,133</u>	<u>532,100</u>	<u>60,967</u>
<b>Expenses:</b>				
Equipment & Line Fees	100,080	100,080	91,013	9,067
Salaries	85,200	85,200	90,510	(5,310)
Telephone	6,861	6,861	8,178	(1,317)
Travel	9,600	9,600	4,253	5,347
Depreciation	-	-	84,685	(84,685)
Accounting	6,996	6,996	7,749	(753)
Office Supplies	6,000	6,000	8,790	(2,790)
Insurance	37,392	37,392	36,476	916
Health Benefit	12,000	15,600	14,666	934
Payroll Taxes	7,560	7,560	7,420	140
Service & Maintenance Contracts	37,828	40,228	46,326	(6,098)
Legal Fees	2,400	2,400	2,400	-
Repairs and Maintenance		12,000	18,283	(6,283)
Training	9,000	9,000	4,307	4,693
Utilities	27,600	30,000	36,635	(6,635)
Automobile Expense	6,000	6,000	3,209	2,791
Dues & Subscriptions	614	614	375	239
Bank Charges	83	83	689	(606)
Street Signs	1,200	1,200	220	980
Professional Fees	1,500	1,500		1,500
Miscellaneous		-	264	(264)
Total Expenses	<u>357,914</u>	<u>378,314</u>	<u>466,448</u>	<u>(88,134)</u>
<b>Operating income</b>	113,219	92,819	65,652	(27,167)
<b>Non-operating Revenues &amp; Expenses</b>				
Interest Income	3,480	3,480	79	(3,401)
Interest Expense	(16,500)	(16,500)	(15,126)	1,374
Total non-operating revenues	<u>(13,020)</u>	<u>(13,020)</u>	<u>(15,047)</u>	<u>(2,027)</u>
<b>Change in Net Position</b>	100,199	79,799	50,605	(29,194)
<b>Net Position, Beginning of Year</b>	<u>1,283,128</u>	<u>1,283,128</u>	<u>1,283,128</u>	<u>-</u>
<b>Net Position, End of Year</b>	<u>1,383,327</u>	<u>1,362,927</u>	<u>1,333,733</u>	<u>(29,194)</u>

See independent auditor's report.

Schedule 2

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

SUPPLEMENTAL INFORMATION SCHEDULE  
Year Ended December 31, 2014

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	12/31/2016
Mr. Mike Stogner, Vice-Chairman 11389 Dutch Stogner Bogalusa, La.70427	12/31/2016
Mrs Cynthia August, Secretary 23873 Hwy 430 Franklinton, La.70438	12/31/2018
Mr. Gary Fenner, Treasurer 35483 Dock Butler Rd. Mt. Hermon, La.70450	12/31/2015
Mr. Michael P. Corkern 1201 Avenue E Bogalusa, La. 70427	12/31/2015
Mr. Stephen C. "Clay" Richardson 3115 8th Avenue Franklinton, La. 70438 (Completing Mr. Mike Miller's term)	1/27/2014
Willie Cook Byrd 13033 S. Choctaw Bogalusa, La.70427	12/31/2014

See independent auditor's report.

Schedule 3

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

SUPPLEMENTAL INFORMATION SCHEDULE  
Year Ended December 31, 2014

COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Agency Head: Ms. Joana Thomas, Director

Compensation	39,514
Payroll Taxes	3,022
Health Insurance	6,576
Dues	551
Mileage	347
Meals	313
Reimbursements for Conference	746
Reimbursements for Office Expense	600
Travel related to Conference	<u>2,229</u>
	<u>53,899</u>

See independent auditor's report.



# Minda B. Raybourn

*Certified Public Accountant  
Limited Liability Company*

820 11<sup>TH</sup> AVENUE  
FRANKLINTON, LOUISIANA 70438  
(985) 839-4413  
FAX (985) 839-4402

MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities Washington Parish Communications District, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Washington Parish Communication District's basic financial statements, and have issued our report thereon dated June 30, 2015.

### **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Washington Parish Communications District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Washington Parish Communications District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Washington Parish Communications District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Washington Parish Communications District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Minda B. Raybourn

Minda B. Raybourn  
Franklinton, La

June 30, 2015

**Washington Parish Communications District  
Summary of the Auditor's Results  
For the Year Ending December 31, 2014**

**Part I: Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Material weaknesses identified: No

Significant deficiencies that are not considered to be material weaknesses: No

Noncompliance material to the financial statements: No

Federal Awards:

There were no federal awards for the District for the fiscal year ended December 31, 2014.

**Part II: Findings which are required to be reported in accordance with generally accepted  
*Governmental Auditing Standards***

Compliance findings: No

Internal control findings: No