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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 the Year Ended December 31, 2007**

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 7-30-08

*William R. Durden*

*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**

**Independent Accountant's Review Report**  
**With supplemental Information Schedules**  
**&**  
**Independent Accountant's Report on**  
**Agreed-Upon Procedures**  
**As of the Year Ended December 31, 2007**

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WASHINGTON PARISH COMMUNICATIONS DISTRICT  
FRANKLINTON, LOUISIANA

TRANSMITTAL LETTER


JUNE 10, 2008

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, 2007. 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 11<sup>TH</sup> AVENUE  
FRANKLINTON, LOUISIANA 70438  
(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, 2007, 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.

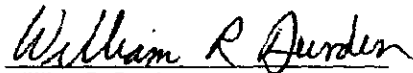
A review consists principally of inquiries of the District's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial 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

JUNE 10, 2008

**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, 2007 were \$1,002,905, and exceeded total liabilities in the amount of \$990,879 (i.e., net assets). Of the total net assets, \$453,920 was unrestricted and available to support short-term operations, \$491,796 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, 2007 decreased from the prior year by \$681 (0.17%). Wire-line fees increased from \$151, 255 in 2006 to \$151,640 in 2007, and wireless fees decreased from \$253,063, in 2006 to \$251,797in 2007.
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest income, increased by \$75,160 (26.70%). Total operating expenses for 2007 were \$356,662 as compared to \$281,502 for 2006. Maintenance expense increase by \$44,753. The other major increase was contract labor by \$16,266 (100%). Depreciation expense was \$72,063.
- Interest income for the fiscal year ended December 31, 2007 totaled \$16,031 representing an increase of \$7,319. Corresponding investments in bank certificates of deposits increase \$116,441 from \$242,980 at December 31, 2006 to \$359,421 at December 31, 2007.
- 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, 2007	December 31, 2006	Dollar Change	Percent Change
Current and Other Assets	\$511,109	\$404,584	\$106,525	26.33%
Capital Assets	491,796	534,618	(42,822)	-8.01%
Total Assets	<u>\$1,002,905</u>	<u>\$939,202</u>	<u>\$63,703</u>	6.78%
Other Liabilities	12,026	11,478	(548)	-4.77%
Total Liabilities	<u>\$12,026</u>	<u>\$11,478</u>	<u>(\$548)</u>	-4.77%
Invested in Capital Assets, Net of Related Debt	491,796	534,618	(42,822)	-8.01%
Restricted for Capital Activity and Debt Service	45,163	45,163	-	0.00%
Unrestricted	453,920	347,943	105,977	30.46%
Total Net Assets	<u>990,879</u>	<u>927,724</u>	<u>63,155</u>	6.81%

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 \$106,525.

"Current Liabilities" decreased by \$548, due primarily to the decrease in accounts payable.

"Total Net Assets" (total assets less total liabilities) increased by \$63,155 for the fiscal year ending December 31, 2007, 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, 2007	Year Ended December 31, 2006	Dollar Change	Percent Change
<b>Revenues:</b>				
Operating Revenues	\$403,786	\$405,726	(\$1,940)	-0.48%
Non-operating Revenues	16,031	33,116	(17,085)	-51.59%
<b>Total Revenues</b>	<u>419,817</u>	<u>438,842</u>	<u>(19,025)</u>	-4.34%
<b>Expenses:</b>				
Depreciation Expense	72,063	67,200	4,863	7.24%
Other Operating Expense	284,599	214,302	70,297	32.80%
<b>Total Expenses</b>	<u>356,662</u>	<u>281,502</u>	<u>75,160</u>	26.70%
<b>Changes in Net Assets</b>	63,155	157,340	(94,185)	-59.86%
Beginning Net Assets	927,724	770,384	157,340	
<b>Ending Net Assets</b>	<u>\$990,879</u>	<u>\$927,724</u>	<u>\$63,155</u>	6.81%

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) decreased \$1,940 (0.48%). Non-operating Revenues decrease by \$17,085 (-52%). The timber sale in prior year was a onetime occurrence of sale of \$24,404. While operating expenses increased by \$75,160 resulting in an increase in "Changes in Net Assets" of \$63,155.

**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 <u>December 31, 2006</u>	Actual Year Ended <u>December 31, 2006</u>	Favorable (Unfavorable) Variance
<b>Revenues:</b>			
Operating	\$396,373	\$403,786	7,413
Nonoperating	7,988	16,031	8,043
<b>Total Revenues</b>	<u>404,361</u>	<u>419,817</u>	<u>15,456</u>
<b>Operating Expenses:</b>			
Accounting & Auditing	4,500	4,798	(298)
Service & maintenance	72,204	71,107	1,097
Salaries, contract, payroll tax	160,374	156,491	3,883
Travel	4,800	5,698	(898)
Depreciation	67,200	72,063	(4,863)
Insurance	12,938	14,021	(1,083)
Office & Computer Expense	6,000	6,310	(310)
Training	10,800	8,997	1,803
Legal & Professional Fees	3,900	3,876	24
Rent	2,400	2,200	200
Utilities	10,103	8,990	1,113
Other Operating Expense	1,897	2,111	(214)
<b>Total Operating Expenses</b>	<u>357,116</u>	<u>356,662</u>	<u>454</u>
<b>Income (Loss)</b>	<u>\$47,245</u>	<u>\$63,155</u>	<u>\$15,910</u>

"Actual Operating Revenues" were over "Budget Operating Revenues" by \$15,456 (3.90%). Total actual "Operating Expenses" were \$454 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, 2007, Washington Parish Communications District had \$491,796 (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, 2007	December 31, 2006	Dollar Change	Percent Change
Land	\$74,044	\$74,044	-	0.00%
Office equipment & furniture	23,499	19,921	3,578	17.96%
Vehicles	30,327	29,327	1,000	3.41%
Mapping equipment	113,065	107,315	5,750	5.36%
Communication equipments	328,488	328,488	-	0.00%
Recording equipment	31,213	31,213	-	0.00%
Maps	103,174	103,174	-	0.00%
Construction in progress	35,815	16,902	18,913	100.00%
Other equipment	19,022	19,022	-	0.00%
<b>Subtotal</b>	<b>\$758,647</b>	<b>\$729,406</b>	<b>29,241</b>	<b>4.01%</b>
Less: Accumulated Depreciation	(266,851)	(194,788)	(72,063)	37.00%
<b>Net Capital Asssets</b>	<b>\$491,796</b>	<b>\$534,618</b>	<b>(\$42,822)</b>	<b>-8.01%</b>

The District purchased a Nav tech GPS System for \$3,012, mapping software for \$5,750, and a used jeep for \$1,000. Consult fees and engineering services for \$18,913 for development of the land for new communication center..

**Future Economic Plans**

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. State Bond Commission, on September 20,2007, approved of line of credit for \$500,000 for communication center. These funds will be distributed though the Parish Council.

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, 2007

**ASSETS**

## Current Assets:

Cash and Cash Equivalents	\$ 73,219
Investments	359,421
Accounts Receivable	58,491
Prepaid Insurance	6,374
Prepaid contract	13,413
Utility Deposits	191
Total Current Assets	<u>511,109</u>

## Noncurrent Assets:

## Capital Assets:

Equipment	684,603
Less accumulated depreciation	<u>(266,851)</u>

417,752

Land	74,044
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Capital Assets, Net	<u>491,796</u>
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Total Assets	<u>1,002,905</u>
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**Liabilities**

## Current Liabilities:

Accounts Payable	8,605
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Payroll taxes payable	<u>3,421</u>
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Total Liabilities	<u>12,026</u>
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**Net Assets**

Invested in Capital Assets, net of related debt	491,796
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Reserve for Equipments	45,163
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Unrestricted	<u>453,920</u>
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Total Net Assets	<u>\$ 990,879</u>
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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, 2007

<b>Operating Revenues:</b>	
Wireline Income	\$ 151,640
Wireless Income	251,797
Map Income	35
Sign Fund Income	314
Total Operating Revenue	<u>403,786</u>
<b>Operating Expenses:</b>	
Service & Maintenance	82,431
Salaries	52,467
Contract Labor	17,218
Telephone	5,813
Travel	5,698
Depreciation	72,063
Accounting	4,798
Office Supplies	6,310
Insurance	14,021
Payroll Taxes	4,375
Legal Fees	2,400
Service & Maintenance - other	63,611
Repairs & Maintenance	225
Rent	2,200
Training	8,997
Utilities	3,177
Automobile Expense	7,271
Dues & Subscriptions	534
Street Signs	1,191
Professional Fees	1,476
Miscellaneous	386
Total Operating Expenses	<u>356,662</u>
Operating Income	<u>47,124</u>
<b>Nonoperating Revenues &amp; (Expenses):</b>	
Interest Income	16,031
Total Nonoperating Revenues	<u>16,031</u>
<b>Change in Net Assets</b>	63,155
<b>Total Net Assets, Beginning of Year</b>	<u>927,724</u>
<b>Total Net Assets, End of Year</b>	<u><u>990,879</u></u>

See accountant's report and accompanying notes to financial statements

## STATEMENT 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, 2007

**Cash flows from operating activities:**

Cash received from customers	\$ 389,983
Other receipts	349
Cash payments for goods and services	(227,563)
Cash payments for employees	(52,467)
Cash payments to investments	<u>(110,000)</u>
Net cash provided (used) by operating activities	<u>302</u>

**Cash flows from capital and related financing activities:**

Cash transferred to investments	110,000
Interest from investments	16,283
Purchased of equipments	<u>(29,241)</u>
Net cash provided (used) by financing activities	<u>97,042</u>

**Net increase (decrease) in cash and equivalents**

	97,344
Cash and cash equivalents, beginning of year	335,296
Cash and cash equivalents, end of year	<u>\$ 432,640</u>

**Reconciliation of cash equivalents and investment cash to statement of net assets**

cash and cash equivalent	\$ 73,219
cash in investment accounts	359,421
Total cash and investments	<u>\$ 432,640</u>

**Reconciliation of operating income to net cash provided by operating activities:**

Operating income	\$ 47,124
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	72,063
(Increase) decrease in accounts receivable	(13,677)
(Increase) decrease in investment account	(110,000)
(Increase) decrease in prepaid insurance	368
(Increase) decrease in prepaid contract	4,002
Increase (decrease) in accounts payable	548
Increase (decrease) in accrued income	(126)
Total adjustments	<u>(46,822)</u>
Net cash provided (used) by operating activities	<u>\$ 302</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, 2007**

**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 members 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, 2007**

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, 2007**

**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 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 (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 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, 2007**

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.

**E. BUDGET PRACTICES**

The proposed budget for 2007 was presented for adoption at the December 2006 board meeting held by the District on December 5, 2006. The budget is prepared on the accrual basis of accounting. The board reviewed the 2007 budget and amended the budget twice during the year at its July 10 and December 4, 2006 meeting. The 2008 budget were adopted at the January meeting held on January 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, 2007**

**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, 2007**

**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, 2007, the District had cash and cash equivalents (book balances) totaling \$73,219.

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, 2007, the District had \$75,579 in deposits (collected bank balances), at Capital One Bank which were secured by federal deposit insurance of \$100,000.

**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, 2007**

**3. INVESTMENTS**

At December 31, 2007, the District held investments of Certificates of Deposit in four local banks amounting to \$359,421 as follows:

	<u>Equivalent</u>	<u>Security</u>
Parish National Bank	70,718	100,000
Resource Bank	132,000	150,000
Zellco Federal Credit Union	42,528	100,000
Hancock Bank	114,175	201,453
Total Investments	<u>\$ 359,421</u>	<u>\$ 451,453</u>

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, 2007.

Wire-line service:	
ATT	\$ 12,225
Wireless (celluar) service:	
ATT	\$ 38,917
Sprint	4,215
Other providers	<u>3,134</u>
Total Wireless	<u>46,266</u>
Total Receivables	<u>\$ 58,491</u>

**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, 2007

**5. PROPERTY, PLANT AND EQUIPMENT**

A summary of fixed assets at December 31, 2007 follows

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
Vehicles	\$ 29,327	\$ 1,000	\$ -	\$ 30,327
Office equipment & furniture	19,921	3,578		23,499
Communication equipments	328,488			328,488
Mapping equipment	107,315	5,750		113,065
Maps	103,174			103,174
Other equipment	19,022			19,022
Construction in progress	16,902	18,913		35,815
Recording equipment	31,213			31,213
Total capital assets being depreciated	655,362	29,241		684,603
Less accumulated depreciation	(194,788)	(72,063)		(266,851)
Total capital assets being depreciation-net	460,574	(42,822)		417,752
Land	74,044			74,044
Capital Assets, net	<u>\$ 534,618</u>	<u>\$ (42,822)</u>		<u>491,796</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, 2007**

**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.

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 2007 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. GIS improvements will continue into 2007 and beyond.

Wireless service charges earned but not utilized in 2007 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, 2007**

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 \$74,044. 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.

**7. RESERVE FOR EQUIPMENT**

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

**8. LITIGATION AND CLAIMS**

As of December 31, 2007 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**

The District received approval cash line credit of \$500,000 for new communication center from the State Bond Commission at the September 20, 2007 meeting. The District will received funds indirectly though the Washington Parish Council.

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, 2007

	Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
<b>Revenues:</b>				
Wireline Income	\$ 156,026	\$ 156,026	\$ 151,640	\$ (4,386)
Wireless Income	251,214	239,904	251,797	11,893
Map Income	158	158	35	(123)
Sign Fund Income	285	285	314	29
Miscellaneous	25,452	-	-	-
Total Revenue	<u>433,135</u>	<u>396,373</u>	<u>403,786</u>	<u>7,413</u>
<b>Expenses:</b>				
Service & Maintenance	82,558	84,941	82,431	2,510
Salaries	57,000	52,000	52,467	(467)
Contract Labor	-	19,080	17,218	1,862
Telephone	6,861	6,861	5,813	1,048
Travel	-	4,800	5,698	(898)
Depreciation	67,200	67,200	72,063	(4,863)
Accounting	4,500	4,500	4,798	(298)
Office Supplies	4,143	6,000	6,310	(310)
Insurance	12,938	12,938	14,021	(1,083)
Payroll Taxes	4,353	4,353	4,375	(22)
Legal Fees	2,400	2,400	2,400	-
Service & Maintenance, other	31,000	65,004	63,611	1,393
Repairs & Maintenance	-	-	225	(225)
Rent	4,800	2,400	2,200	200
Training	7,050	10,800	8,997	1,803
Utilities	-	3,242	3,177	65
Automobile Expense	3,596	7,200	7,271	(71)
Dues & Subscriptions	3,242	614	534	80
Street Signs	707	1,200	1,191	9
Advertising	614	-	-	-
Bank Charges	83	83	55	28
Professional Fees	233	1,500	1,476	24
Miscellaneous	-	-	331	(331)
Total Expenses	<u>293,278</u>	<u>357,116</u>	<u>356,662</u>	<u>454</u>
<b>Operating income</b>	<b>139,857</b>	<b>39,257</b>	<b>47,124</b>	<b>7,867</b>
<b>Non-operating revenues &amp; Expenses</b>				
Interest income	7,988	7,988	16,031	8,043
Total non-operating revenues	<u>7,988</u>	<u>7,988</u>	<u>16,031</u>	<u>8,043</u>
<b>Change in Net assets</b>	<b>147,845</b>	<b>47,245</b>	<b>63,155</b>	<b>15,910</b>
<b>Retained Earnings, Beginning of Year</b>	<b>927,724</b>	<b>927,724</b>	<b>927,724</b>	<b>-</b>
<b>Retained Earnings, End of Year</b>	<b><u>1,067,581</u></b>	<b><u>974,969</u></b>	<b><u>990,879</u></b>	<b><u>15,910</u></b>

See accountant's report and accompanying notes to financial statements

(A Component Unit of the Washington Parish Government)  
Franklinton, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE  
Year Ended December 31, 2007

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	12/31/2011
Mr. Joshua Bridges 14086 Bridges Rd. Bogalusa, La. 70427	12/31/2011
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 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 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, 2007, 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 no expenditure that exceeded \$20,000. 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 2007.

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

The original budget for the year ended December 2007 was adopted at the regular meeting held by the District on December 14, 2006, and made a part of the minutes of that meeting. The original budget was amended at meeting held on December 4, 2007.

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 over budget by 1.87%. Actual expenditures for the year were under budget amounts by 0.13%. 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

June 10, 2007

LOUISIANA ATTESTATION QUESTIONNAIRE

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

December 30, 2007 \_\_\_\_\_ (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>Cynthia G. August</u>	Secretary	<u>1-22-08</u>	Date
<u>Gary L. Lehner</u>	Treasurer	<u>1-8-08</u>	Date
<u>Jan M. Allen</u>	President	<u>1-22-08</u>	Date