

WASHINGTON PARISH COMMUNICATIONS DISTRICT**Franklinton, Louisiana****Independent Accountant's Review Report
With Supplemental Information Schedules
&
Independent Accountant's Report on Applying
Agreed-Upon Procedures****As of and for the Year Ended December 31, 2004**

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 6-29-05***William R. Durden****Certified Public Accountant**Limited Liability Company*820 11TH 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 and for the Year Ended December 31, 2004

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WASHINGTON PARISH COMMUNICATIONS DISTRICT
FRANKLINTON, LOUISIANA

TRANSMITTAL LETTER

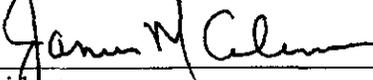
APRIL 25, 2005

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, 2004. The report includes all funds under the control and oversight of the District. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



President

William R. Durden

*Certified Public Accountant
Limited Liability Company*

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

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, 2004, 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 is 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 22, 2005, on the results of my agreed-upon procedures.



William R. Durden,
Certified Public Accountant
Franklinton, Louisiana

April 22, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Management's Discussion and Analysis

Introduction

Washington Parish Communications District is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-For State and Local Governments* (hereinafter referred to as GASB 34), and related standards. Please read the following in conjunction with the District's financial statements and footnotes, which follow this section.

Financial Highlights

- Total assets at December 31, 2004 were \$735,415, and exceeded total liabilities in the amount of \$725,133 (i.e., net assets). Of the total net assets, \$193,530 was unrestricted and available to support short-term operations, \$486,440 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, 2004 increased from the prior year by \$31,050 (10.59%). Wire-line fees increased from \$150,238 in 2003 to \$160,019 in 2004, and wireless fees increased from \$142,766 in 2003 to \$164,377 in 2004. The district also received a \$52,406 grant.
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest income, increased by \$41,712 (21.01%). Total operating expenses for 2004 were \$249,860 as compared to \$208,148 for 2003. Depreciation expense increase by \$30,831, maintenance expense increase by \$14,388, Salaries increase by \$3,789, and the remaining expenses decrease by \$4,268.
- Interest income for the fiscal year ended December 31, 2004 totaled \$3,655 representing a decrease of \$3,424. Corresponding investments in bank certificates of deposits decrease \$244,670 from \$368,605 at December 31, 2003 to \$123,935 at December 31, 2004.
- At present the District is not obligated for any long-term debt. The District did implement 9-1-1 service for cellular customers at a cost of \$477,308.

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, and the Corrective Action Taken by the District.

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, 2004	December 31, 2003	Dollar Change	Percent Change
Current and Other Assets	\$248,975	\$557,458	(\$308,483)	-55.34%
Capital Assets	<u>486,440</u>	<u>52,035</u>	<u>434,405</u>	834.83%
Total Assets	<u>\$735,415</u>	<u>\$609,493</u>	<u>\$125,922</u>	20.66%
Other Liabilities	<u>10,282</u>	<u>15,150</u>	<u>(4,868)</u>	-32.13%
Total Liabilities	<u>\$10,282</u>	<u>\$15,150</u>	<u>(\$4,868)</u>	-32.13%
Invested in Capital Assets, Net of Related Debt	486,440	52,035	434,405	834.83%
Restricted for Capital Activity and Debt Service	45,163	45,163	0	0.00%
Unrestricted	<u>193,530</u>	<u>497,145</u>	<u>(303,615)</u>	-61.07%
Total Net Assets	<u>725,133</u>	<u>594,343</u>	<u>130,790</u>	22.01%
Total Liabilities and Net Assets	<u>\$735,415</u>	<u>\$609,493</u>	<u>\$125,922</u>	20.66%

The major component of change for "Current and Other Assets" is a \$125,922 which is reflected in increase in capital assets. The substantial decrease in cash was directly related to increase in capital assets of \$434,405.

"Current Liabilities" decreased by \$4,868, due primarily to the decrease in accounts payable.

"Total Net Assets" (total assets less total liabilities) increased by \$125,922 for the fiscal year ending December 31, 2004, primarily from the net operating income of \$130,790.

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, 2004	Year Ended December 31, 2003	Dollar Change	Percent Change
Revenues:				
Operating Revenues	\$376,995	\$293,399	\$83,596	28.49%
Non-operating Revenues	3,655	7,079	(3,424)	-48.37%
Total Revenues	<u>380,650</u>	<u>300,478</u>	<u>80,172</u>	<u>26.68%</u>
Expenses:				
Depreciation Expense	42,902	14,099	28,803	204.29%
Other Operating Expense	206,958	194,049	12,909	6.65%
Total Expenses	<u>249,860</u>	<u>208,148</u>	<u>41,712</u>	<u>20.04%</u>
Changes in Net Assets	130,790	92,330	38,460	41.65%
Beginning Net Assets	594,343	502,013	92,330	
Ending Net Assets	<u>\$725,133</u>	<u>\$594,343</u>	<u>\$130,790</u>	<u>22.01%</u>

While the Statement of Net Assets shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets provides answers to the nature and scope of these changes. The above table gives an indication of how Washington Parish Communications District is being conservatively managed. Total "Operating Revenues" (including wire fees, wireless fees, and revenues related to providing these wire services to customers) increased \$83,596 (28.49%). Non-operating Revenues, consisting of interest income, decreased by \$3,424, which is related to the fact that the District used the investment funds to purchase the necessary equipment to implement the total system integration of current and remote PSAP's.

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, and is followed by 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, 2004

	Budget Year Ended December 31, 2004	Actual Year Ended December 31, 2004	Favorable (Unfavorable) Variance
Revenues:			
Operating	\$384,990	\$376,995	(7,995)
Nonoperating	3,000	3,655	655
Total Revenues	<u>387,990</u>	<u>380,650</u>	<u>(7,340)</u>
Operating Expenses:			
Accounting & Auditing	3,606	4,053	(447)
Service & maintenance	101,316	100,678	638
Salaries	53,870	53,316	554
Travel	6,309	5,765	544
Depreciation	30,798	42,902	(12,104)
Insurance	14,377	11,828	2,549
Office & Computer Expense	6,122	3,821	2,301
Repairs & Maintenance	4,254	2,836	1,418
Training	3,000	4,315	(1,315)
Legal & Professional Fees	3,900	3,900	0
Rent	4,500	4,640	(140)
Utilities	3,582	3,857	(275)
Other Operating Expense	7,895	7,949	(54)
Total Operating Expenses	<u>243,529</u>	<u>249,860</u>	<u>(6,331)</u>
Income (Loss)	<u>\$144,461</u>	<u>\$130,790</u>	<u>(\$13,671)</u>

Actual total revenue had an unfavorable variance of \$7,340 (1.90%). For "Operating Expenses" Depreciation Expense was the only category that was significantly over budget (\$12,104). This increase in depreciation expense was due to substantial increase in equipment purchased.. Total actual "Operating Expenses" were (\$6,331) over budgeted "Operating Expenses" which was 3.4% over amended budget. Both variance for revenues and expenses were below acceptable variance of 5%.

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, 2004, Washington Parish Communications District had \$484,413 (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, 2004	December 31, 2003	Dollar Change	Percent Change
Land	\$18,184	\$18,184	-	0.00%
Office equipment & furniture	14,485	23,576	(9,091)	-38.56%
Vehicles	29,327	29,327	-	0.00%
Mapping equipment	68,933	6,042	62,891	1040.90%
Communication equipments	308,808	-	308,808	100.00%
Recording equipment	31,213	67,089	(35,876)	-53.48%
Maps	70,964	-	70,964	100.00%
Other equipment	7,790	5,306	2,484	46.81%
Subtotal	\$549,704	\$149,524	\$400,180	267.64%
Less: Accumulated Depreciation	(63,264)	(97,489)	34,225	-35.11%
Net Capital Assets	\$486,440	\$52,035	\$434,405	834.83%

The District purchased and implemented the total system integration of current and remote PSAP's, which result in an increase of \$477,307 in equipments. The District also retired \$77,127 in assets and \$72,282 accumulated depreciation associated with the retired assets.

Future Economic Plans

Phase 2 wireless capability will be added in 2005, at a cost of an additional \$100,000. Funds for phase 2 wireless have been earmarked for that purpose from retained earnings. Commissioners feel there are sufficient funds on hand at the present time to complete this project without any interruption or interference to their current operation.

FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE
December 31, 2004

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 54,851
Investments	123,935
Accounts Receivable	63,846
Accrued Interest Receivable	29
Prepaid Insurance	6,121
Utility Deposits	193
Total Current Assets	<u>248,975</u>

Noncurrent Assets:

Capital Assets:

Equipment	531,520
Less accumulated depreciation	<u>(63,264)</u>
	468,256
Land	<u>18,184</u>

Capital Assets, Net	<u>486,440</u>
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Total Assets	<u>735,415</u>
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Liabilities

Current Liabilities:

Accounts Payable	8,195
Payroll taxes payable	<u>2,087</u>
Total Current Liabilities	<u>10,282</u>

Total Liabilities	<u>10,282</u>
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Net Assets

Invested in Capital Assets, net of related debt	486,440
Reserve for Equipments	45,163
Unrestricted	<u>193,530</u>
Total Net Assets	<u>\$ 725,133</u>

See accountant's report and accompanying notes to financial statements

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, 2004

Operating Revenues:	
Wireline Income	\$ 160,019
Wireless Income	164,377
Map Income	41
Sign Fund Income	152
Grant Revenue	<u>52,406</u>
Total Operating Revenue	<u>376,995</u>
Operating Expenses:	
Service & Maintenance	89,460
Salaries	53,316
Contract Labor	301
Telephone	5,765
Travel	180
Depreciation	42,902
Accounting	3,174
Office Supplies	3,876
Insurance	11,828
Payroll Taxes	4,188
Legal Fees	3,900
Public education	53
Service & Maintenance - other	11,218
Repairs & Maintenance	2,836
Rent	4,640
Training	4,315
Automobile Expense	1,495
Utilities	3,857
Dues & Subscriptions	356
Street Signs	95
Advertising	388
Entertainment & Meals	395
Professional Fees	879
State Unemployment Tax	<u>443</u>
Total Operating Expenses	<u>249,860</u>
Operating Income	<u>127,135</u>
Nonoperating Revenues & (Expenses):	
Interest Income	<u>3,655</u>
Total Nonoperating Revenues	<u>3,655</u>
Change in Net Assets	130,790
Total Net Assets, Beginning of Year	<u>594,343</u>
Total Net Assets, End of Year	<u><u>725,133</u></u>

See accountant's report and accompanying notes to financial statements

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
Year ended December 31, 2004

Cash flows from operating activities:	
Cash received from customers	\$ 368,189
Other receipts	824
Cash payments for goods and services	(162,455)
Cash payments for employees	(53,316)
Net cash provided (used) by operating activities	<u>153,242</u>
 Cash flows from capital and related financing activities:	
Cash transferred from investments	245,135
Interest from investments	3,192
Purchased of equipments	(477,308)
Net cash provided (used) by financing activities	<u>(228,981)</u>
 Net increase (decrease) in cash and equivalents	
Cash and cash equivalents, beginning of year	130,590
Cash and cash equivalents, end of year	<u>54,851</u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 127,135
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	42,902
(Increase) decrease in accounts receivable	(10,764)
(Increase) decrease in prepaid insurance	(1,286)
(Increase) decrease in utility deposit	123
Increase (decrease) in accounts payable	(3,530)
Increase (decrease) in accrued expenses	(1,338)
Total adjustments	<u>26,107</u>
Net cash provided (used) by operating activities	<u>153,242</u>

Noncash investing, capital and financing activities:

Capital assets with a net book value of \$4,845 were retired in non-cash transactions.

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, 2004

INTRODUCTION

The Washington Parish Communications District (The District) was created by the Washington Parish Government on May 17, 1988 under the provisions authorized by Louisiana Revised Statute 33:9101-9106. The purpose of the District is to establish and manage operations of an enhanced 911 emergency telephone system in Washington Parish. The District is governed by a seven (7) member board appointed by the parish government. Board members receive no compensation.

The District has equipped four public safety answering points: Washington Parish Sheriff's Office, Franklinton Police Department, Bogalusa Police Department, and Bogalusa Fire Department with enhanced 911 equipment. Each answering point is staffed by the respective agency's personnel.

1. 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, 2004

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, 2004

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The accrual basis of accounting is used. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues

Wireline:

On November 10, 1988, the voters of Washington Parish approved a levy not to exceed 5% of the tariff rate approved by Public Service Commissions, on each private and commercial telephone to fund the enhanced 911 emergency telephone service. Beginning January 1, 1989, South Central Bell Telephone Company (SCB) began collecting a service charge of \$0.55 per residential and \$1.43 per commercial telephone line. SCB remits monthly collections (less a 1% administrative fee) to the District by the fifteenth (15th) day of the following month. Currently, there are approximately 17,000 residential and 3,000 commercial line in the Parish.

Wireless:

On December 15, 2000, an agreement for Phase I E-911 Services as entered into between the Washington Parish Communications District and Bell South Mobility as per the Federal Communications Commission in its Report and Order and Further Notice of Proposed Rulemaking in FCC docket No. 94-102, released on July 26, 1996, which requires cellular and broadband PCS licensees and certain wireless licensees to initiate action for the provision of Phase I E-911 service (as defined in the FCC Order), which will enable such licensees to relay a caller's mobile directory number information and the location of a cell site receiving a 911 call to the designated Communications District.

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

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2004

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 2004 was presented for adoption at the December 2003 board meeting held by the District on December 2, 2003. The budget is prepared on the accrual basis of accounting. The board reviewed the 2004 budget and amended the budget at its September 7, 2004 meeting. The 2005 budget were adopted at the December meeting held on December 7, 2004.

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, 2004

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.

The liability for compensated absences at December 31, 2004, was computed using current compensation rates multiplied by the accumulated leave for each of the two employees.

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, 2004

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, 2004, the District had cash and cash equivalents (book balances) totaling \$54,851.

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, 2004, the District had \$81,738 in deposits (collected bank balances), at Hibernia National Bank which were secured by federal deposit insurance of \$100,000 and pledged securities of the fiscal agent bank in the amount of \$254,663.

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, 2004

3. INVESTMENTS

At December 31, 2004, the District held investments of Certificates of Deposit in four local banks amounting to \$123,935, as follows:

Hibernia National Bank (included in note 2)	\$ 20,000
Parish National Bank	43,127
Zellco Federal Credit Union	60,808
Total Investments	\$ 123,935

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 Hibernia National Bank exceeded the FDIC insurance but sufficient collateral of pledged securities from Hibernia covered the amounts in excess of \$100,000.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2004:

Wire-line service:	
Bell South	\$ 12,291
Wireless (celluar) service:	
Cingular	\$ 39,025
Sprint	4,714
Other providers	2,240
Total Wireless	45,979
Other receivables	5,576
Total Receivables	\$ 63,846

:

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, 2004

5. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 2004 follows

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
Vehicles	\$ 29,327	\$ -	\$ -	29,327
Office equipment & furniture	23,576	1,180	(10,271)	14,485
Communication equipments		308,808		308,808
Mapping equipment	6,042	62,891	-	68,933
Maps		70,964		70,964
Other equipment	5,306	3,379	(895)	7,790
Recording equipment	67,089	30,085	(65,961)	31,213
Total capital assets being depreciated	131,340	477,307	(77,127)	531,520
Less accumulated depreciation	(97,489)	42,902	77,127	(\$63,264)
Total capital assets being depreciation-net	33,851			468,256
Land	18,184	-	-	18,184
Capital Assets, net	<u>\$ 52,035</u>	<u>\$ 434,405</u>	<u>\$ -</u>	<u>486,440</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, 2004

6. ADDENDA TO FINANCIAL REPORT REQUIRED BY LRS 33:9101 ET SEQ.

In accordance with LSR 33:9101 et seq. and the Legislative Auditor Memorandum dated March 22, 2000, following is a summary of revenues derived from wireless service charges, how such funds were expended, and the progress of phase 1 Implementation.

As of December 31, 2004:

Total funds received from wireless service charges	\$ 164,377
Expenditures made solely for wireless 9-1-1	0
Expenditures made solely for wireline 9-1-1	0.
Percentage of balance of expenditures	\$ 190,345

Status of Phase 1 Implementation:

The Washington Parish Communications District in 2004, implemented a comprehensive plan to integrate existing PSAP's into a single, shared 911 telephone system to provide enhanced communications services (including Phase I wireless E911) to the citizens of Washington Parish and the emergency services located therein. Equipment has been installed, and the system integration of current, remote PSAP's for the purpose of Phase 1 Wireless implementation has been completed. Cost for this integration for wireless was \$190,345 based on approximately 43% of the total calls being wireless, and total expenditure of \$442,663 for call handling and mapping equipment and software

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, 2004

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 \$18,184. Building and equipment costs for this proposed system, while not finalized as yet, are well beyond the present retained earnings of the District and will acquire additional grant or debt funding. Grant funds in the amount of \$1.4 million dollars were requested in 2003, but denied. It is anticipated that additional system operating costs will be requested by the Parish wide vote in 2005 to further enhance the system.

7. RESERVE FOR EQUIPMENT

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

8. LITIGATION AND CLAIMS

As of December 31, 2004 there were no litigations or claims against the District.

9 RELATED PARTY TRANSACTIONS

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

10. SUBSEQUENT EVENTS

There were no subsequent events after the balance sheet date requiring disclosure.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS-BUDGET AND ACTUAL
PROPRIETARY FUND TYPE
Year Ended December 31, 2004

	Budget	Amended Budget	Actual	Variance
Revenues:				
Wireline Income	\$ 147,202	\$ 158,958	\$ 160,019	\$ 1,061
Wireless Income	143,398	170,804	164,377	(6,427)
Map Income	-	-	41	41
Interest Income	2,500	3,000	3,655	655
Sign Fund Income	250	228	152	(76)
Grant Funding	55,000	55,000	52,406	(2,594)
Total Revenue	<u>348,350</u>	<u>387,990</u>	<u>380,650</u>	<u>(7,340)</u>
Expenses:				
Service & Maintenance	85,000	95,604	89,460	6,144
Salaries	54,481	53,870	53,316	554
Contract Labor	-	-	301	(301)
Telephone	4,500	6,309	5,765	544
Service & Maintenance, other	2,000	5,712	11,218	(5,506)
Travel	1,000	135	180	(45)
Depreciation	26,276	30,798	42,902	(12,104)
Public Education	16,000	200	53	147
Accounting	3,000	2,500	3,174	(674)
Office Supplies	2,000	6,122	3,821	2,301
Insurance	9,000	13,377	11,377	2,000
Insurance-w. c.	1,000	1,000	451	549
Payroll Taxes	4,283	4,160	4,188	(28)
Legal Fees	2,500	3,900	3,900	-
Repairs & Maintenance	1,000	4,254	2,836	1,418
Rent	3,000	4,500	4,640	(140)
Training	2,000	3,000	4,315	(1,315)
Automobile Expense	1,000	972	1,495	(523)
Utilities	1,000	3,582	3,857	(275)
Dues & Subscriptions	150	120	356	(236)
Advertising	250	400	388	12
Map Reprints	500	-	-	-
Bank Charges	-	83	55	28
Street Signs	100	125	95	30
Entertainment & Meals	1,500	1,200	395	805
State Unemployment Tax	-	500	443	57
Professional Fees	10,000	1,106	879	227
Miscellaneous	1,000	-	-	-
Total Expenses	<u>232,540</u>	<u>243,529</u>	<u>249,860</u>	<u>(6,331)</u>
Net Income for the year	115,810	144,461	130,790	(13,671)
Retained Earnings, Beginning of Year	<u>594,343</u>	<u>594,343</u>	<u>594,343</u>	<u>-</u>
Retained Earnings, End of Year	<u>710,153</u>	<u>738,804</u>	<u>725,133</u>	<u>(13,671)</u>

See accountant's report and accompanying notes to financial statements

Schedule 2

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

SUPPLEMENTAL INFORMATION SCHEDULE
Year Ended December 31, 2004

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	12/31/2006
Mr. Gary Fenner, Treasurer 35483 Dock Butler Rd. Mt. Hermon, La.70450	12/31/2007
Mr. Joshua Bridges 14086 Bridges Rd. Bogalusa, La. 70427	12/31/2007
Mr. Mike Miller 28140 River Rd. Mt. Hermon, La. 70450	12/31/2008
Mr. Jason Verret 616 N. Bankston Drive Bogalusa, La.70427	12/31/2006

See accountant's compilation report.

INDEPENDENT
ACCOUNTANT'S REPORT

William R. Durden

Certified Public Accountant

Limited Liability Company

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

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

Commissioners:

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Washington Parish Communications District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2004, 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).

There were expenditures made during the year for materials and supplies exceeding \$20,000, or 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 of employees provided by management (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 2004.

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 2004.

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

The original budget for the year ended December 2004 was adopted at the regular meeting held by the District on December 3, 2003, and made a part of the minutes of that meeting. The original budget was amended at meeting held on September 7, 2004. The 2005 budget adopted at the regular meeting held on December 7, 2004.

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 operating revenues for the year exceeded budget amounts by 1.90%. Actual expenditures for the year were less than budget amounts by 3.44%.

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. There were no prior year comments and recommendation..

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Washington Parish Communications District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



William R. Durden
Certified Public Accountant

April 22, 2005

MANAGEMENT'S CORRECTIVE ACTION PLAN

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

Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2004

There were no findings for the year ending December 31, 2004

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

(Date Transmitted)

Washington Parish Communication District

William R. Durden, CPA

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year 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/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

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

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [] No []

Meetings

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

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
<i>Day L. Lerner</i>	Treasurer	<i>5-3-5</i>	Date
<i>Jim Coleman</i>	President	<i>5/2/05</i>	Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.