

**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, 2011**

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

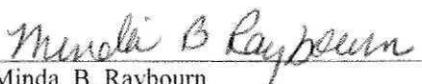
Washington Parish Council
Board of Commissioners
Washington Parish Communications District
Franklinton, Louisiana

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, 2011, 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 2 through 7 and 21 through 22 respectively, which are presented only for supplementary analysis purposes. 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.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements,

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Service issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison on pages 2 through 7 and 21, are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by The Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.


Minda B. Raybourn
Certified Public Accountant
Franklinton, Louisiana
May 30, 2012

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, 2011 were \$1,233,488, and exceeded total liabilities in the amount of \$1,217,104 (i.e., net assets). Of the total net assets, \$806,495 was unrestricted and available to support short-term operations, \$365,446 was the balance invested in capital assets, net of related debt, and \$45,163 was reserved for equipment.
- User fee revenues (phone bill charges-regular and cell) for the fiscal year ending December 31, 2011 increased from the prior year by \$43,831 (10.29%). Wire-line fees increased from \$125,244 in 2010 to \$129,804 in 2011, and wireless fees increased from \$293,315, in 2010 to \$339,660 in 2011.
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest income, increased by \$32,873 (8.54%). Total operating expenses for 2011 were \$417,929 as compared to \$385,056 for 2010. Service & maintenance increased by \$13,459, maintenance contracts increased by \$8,864, travel decreased by \$5,251 and training increased by \$669. The medical benefit for employees increased by \$10,508. Depreciation expense was \$61,696.
- Interest income for the fiscal year ended December 31, 2011 totaled \$3,967 representing a decrease of \$2,738. Corresponding investments in bank certificates of deposits decreased \$2,310 from \$650,269 at December 31, 2010 to \$647,959 at December 31, 2011.
- 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 Statement of Net Assets

	December 31, 2011	December 31, 2010	Dollar Change	Percent Change
Current and Other Assets	\$ 868,042	\$ 819,966	\$ 48,076	5.86%
Capital Assets	365,446	354,602	10,844	3.06%
Total Assets	<u>1,233,488</u>	<u>1,174,568</u>	<u>58,920</u>	<u>5.02%</u>
Other Liabilities	<u>16,384</u>	<u>13,086</u>	<u>3,298</u>	<u>25.20%</u>
Total Liabilities	<u>16,384</u>	<u>13,086</u>	<u>3,298</u>	<u>25.20%</u>
Invested in Capital Assets, Net of Related Debt	365,446	354,602	10,844	3.06%
Restricted for Capital Activity	45,163	45,163	-	
Unrestricted	806,495	761,717	44,778	5.88%
Total Net Assets	<u>\$ 1,217,104</u>	<u>\$ 1,161,482</u>	<u>\$ 55,622</u>	<u>4.79%</u>

For additional detail refer to "Statement A" on page 8.

The major component of change for "Current and Other Assets" is an increase in cash of \$43,831.

"Current Liabilities" increased by \$3,298 primarily due to the increase in accounts payable.

"Total Net Assets" (total assets less total liabilities) increased by \$55,622 for the fiscal year ending December 31, 2011, 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 Changes in Net Assets

	December 31, 2011	December 31, 2010	Dollar Change	Percent Change
Revenues				
Operating Revenues	\$ 469,584	\$ 425,753	\$ 43,831	10.29%
Non-Operating Revenues	3,967	6,705	(2,738)	-40.84%
Total Revenues	473,551	432,458	41,093	9.50%
Expenses:				
Depreciation Expense	58,516	54,548	3,968	7.27%
Other Operating Expenses	359,413	330,508	28,905	8.75%
Total Expenses	417,929	385,056	32,873	8.54%
Change in Net Assets	55,622	47,402	8,220	17.34%
Beginning Net Assets	1,161,482	1,114,080	47,402	4.25%
Ending Net Assets	\$ 1,217,104	\$ 1,161,482	\$ 55,622	4.79%

For additional detailed information refer to "Statement B" page 9.

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 \$43,831 (10.29%). Non-operating Revenues decreased by \$2,738 (-40.8%). Operating expenses increased by \$32,873 resulting in an increase in "Changes in Net Assets" of \$55,622.

Budgetary Highlights

Washington Parish Communications District adopts an annual operating budget in accordance with requirements of the Local Government Budget Act (LSA-RS 39:1301-14). This budget provides an estimate, for the current fiscal year, of the proposed expenditures, and the revenues that will finance the operations of the District. The operating budget was adopted November 8, 2010. The Board of Commissioners reviewed 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, 2011

	Budget Year Ended December 31, 2011	Actual Year Ended December 31, 2011	Favorable (Unfavorable) Variance
Revenues			
Operating	447,133	469,584	22,451
Nonoperating	3,480	3,967	487
Total Revenues	450,613	473,551	22,938
Operating Expenses			
Equipment & Line Fees	116,880	118,570	(1,690)
Salaries & Related Benefit	104,760	105,901	(1,141)
Telephone	6,861	9,317	(2,456)
Travel	9,600	2,963	6,637
Depreciation	52,500	61,696	(9,196)
Accounting & Legal Fees	6,900	8,329	(1,429)
Office Supplies	6,083	6,657	(574)
Insurance	20,384	22,079	(1,695)
Service & Maintenance Contracts	54,612	58,516	(3,904)
Training	9,000	9,141	(141)
Utilities	6,000	4,955	1,045
Automobile Expense	3,242	4,079	(837)
Other Expenses	5,714	5,726	(12)
Total Expenses	402,536	417,929	(15,393)
Change in Net assets	48,077	55,622	7,545
Retained Earnings, Beginning of Year	1,161,482	1,161,482	-
Retained Earnings, End of Year	\$ 1,209,559	\$ 1,217,104	7,545

At the meeting held on November 8, 2010, Mr. Gary Fenner, Treasurer, presented the 2011 budget. The budget is prepared on the accrual basis of accounting. The board approved the 2011 budget at the November meeting. The amended budget was approved at the September 6, 2011, meeting. The board approved the 2012 budget at November 1, 2011, meeting. The District was in compliance with budget requirements.

**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, 2011, Washington Parish Communications District had \$365,446 (net of accumulated depreciation) recorded in capital assets. This includes wire line and wireless systems and improvements, the District's investment for the building, and land owned, for the communication's building site, including vehicles, for system operation. The changes in capital assets are presented in the table below.

	December 31, 2011	December 31, 2010	Dollar Change	Percent Change
Land	\$ 74,044	\$ 74,044	\$ -	-
Communication equipments	412,829	350,447	62,382	17.80%
Other equipments	28,459	28,459	-	-
Recording equipments	32,137	32,137	-	-
Mapping Equipments	113,065	113,065	-	-
Office equipments & Furnitures	20,837	20,837	-	-
Vehicles	22,447	22,447	-	-
Maps	103,174	103,174	-	-
Construction -in - Progress	71,620	61,462	10,158	16.53%
Sub-total	<u>878,612</u>	<u>806,072</u>	<u>72,540</u>	<u>9.00%</u>
Less Accumulated Depreciation	<u>(513,166)</u>	<u>(451,470)</u>	<u>(61,696)</u>	<u>13.67%</u>
Net Capital Asset	<u>365,446</u>	<u>354,602</u>	<u>10,844</u>	<u>3.06%</u>

The District purchased software for communication equipment for \$62,382 and expenditures for construction in progress for a new building were incurred for \$10,158.

Future Economic Plans

The District with the cooperation of the Washington Parish Government will build a communication building at a cost of \$1,995,000 which include additional equipment. The building cost will be funded by \$700,000 Louisiana State funds, \$350,000 Homeland Security funds, \$500,000 Revenue, \$40,000 Parish funds and remaining funds of \$405,000 from the Communication District.

FINANCIAL STATEMENTS

STATEMENT A

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

STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPE
 December 31, 2011

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 140,609
Investments	647,959
Accounts Receivable	55,999
Prepaid Insurance	10,378
Prepaid Contract	12,906
Utility Deposits	191
Total Current Assets	<u>868,042</u>

Noncurrent Assets:

Capital Assets:

Equipment	732,948
Less accumulated Depreciation	<u>(513,166)</u>
	219,782

Construction -in - Progress	71,620
Land	<u>74,044</u>

Capital Assets, Net	<u>365,446</u>
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Total Assets	<u>1,233,488</u>
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Liabilities

Current Liabilities:

Accounts Payable	13,699
Accured payable	600
Payroll taxes payable	<u>2,085</u>

Total Liabilities	<u>16,384</u>
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Net Assets

Invested in Capital Assets, net of related debt	365,446
Reserve for Equipments	45,163
Unrestricted	<u>806,495</u>

Total Net Assets	<u>\$ 1,217,104</u>
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See accountant's report and accompanying notes to financial statements

STATEMENT B

WASHINGTON PARISH COMMUNICATION 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, 2011

Operating Revenues:

Wireline Income	\$ 129,804
Wireless Income	339,660
Sign Fund Income	120
Total Operating Revenue	469,584

Operating Expenses:

Equipments & Lines Fees	118,570
Salaries	87,309
Travel	2,963
Depreciation	61,696
Accounting	5,929
Advertising	2,030
Office Supplies	6,657
Insurance	22,079
Health Benefit	11,999
Payroll Taxes	6,593
Repair & Maintenance	58,516
Telephone	9,317
Legal Fees	2,400
Rent	2,200
Training	9,141
Utilities	4,955
Automobile Expense	4,079
Dues & Subscriptions	867
Street Signs	318
Miscellaneous	311
Total Operating Expenses	417,929

Operating Income	51,655
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Nonoperating Revenues & (Expenses):

Interest Income	3,967
Total Nonoperating Revenues	3,967

Change in Net Assets	55,622
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Total Net Assets, Beginning of Year	1,161,482
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Total Net Assets, End of Year	1,217,104
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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, 2011

Cash flows from operating activities:

Cash received from customers	\$ 457,433
Other receipts	120
Cash payments for goods and services	(87,309)
Cash payments for employees	<u>(256,854)</u>
Net cash provided (used) by operating activities	<u>113,390</u>

Cash flows from capital and related financing activities:

Interest from investments	3,967
Purchased of equipments	<u>(72,540)</u>
Net cash provided (used) by financing activities	<u>(68,573)</u>

Net increase (decrease) in cash and equivalents

Cash and cash equivalents, beginning of year	743,751
Cash and cash equivalents, end of year	<u>\$ 788,568</u>

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

Cash and cash equivalent	\$ 140,609
Cash in investment accounts	647,959
Total cash and investments	<u>\$ 788,568</u>

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

Operating income	\$ 51,655
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	61,696
(Increase) decrease in accounts receivable	(12,608)
(Increase) decrease in prepaid insurance	(277)
(Increase) decrease in prepaid contract	9,626
Increase (decrease) in accounts payable	3,332
Increase (decrease) in accrued payable	600
Increase (decrease) in payroll payable	<u>(634)</u>
Total adjustments	<u>61,735</u>
Net cash provided (used) by operating activities	<u>\$ 113,390</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, 2011

INTRODUCTION

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general-purpose financial statements of the Washington Parish Communications District have been prepared in conformity with generally accepted accounting principles (GAPP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, Parish Council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2011

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, 2011

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, ATT Telephone Company began collecting a service charge of \$0.55 per residential and \$1.43 per commercial telephone line. ATT 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 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 ATT's Mobility as per the Federal Communications Commission in its Report and Order and Further Notice of Proposed Rulemaking in FCC docket No. 94-102, released on July 26, 1996, which requires cellular and broadband PCS licensees and certain wireless licensees to initiate action for the provision of Phase I E-911 service (as defined in the FCC Order), which will enable such licensees to relay a caller's mobile directory number information and the location of a cell site receiving a 911 call to the designated Communications District.

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, 2011

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

At the meeting held on November 8, 2010, Mr. Gary Fenner, Treasurer, presented the 2011 budget. The budget is prepared on the accrual basis of accounting. The board approved the 2011 budget at the November meeting. The amended budget was approved at the September 6, 2011 meeting. The board approved the 2012 budget at November 1, 2011, meeting.

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, 2011

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, 2011

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, 2011, the District had cash and cash equivalents (book balances) totaling \$140,609.

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent. At December 31, 2011, the District had \$146,735 in deposits (collected bank balances), at Capital One Bank which were secured by federal deposit insurance.

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

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

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2011

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

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

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

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

3. INVESTMENTS

At December 31, 2011, the District held investments of Certificates of Deposit in three local banks amounting to \$647,959 as follows:

	Cash Equivalent	FDIC Pledge Security
Lamp	\$ 119,863	\$ -
Zelico Federal Credit Union	150,005	250,000
Farm Brueau	153,091	250,000
Citizen Saving	225,000	250,000
Total Investments	\$ 647,959	\$ 750,000

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, 2011

These investments are stated at cost, which approximates market value. Under state law, these investments must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. The FDIC insurance of \$250,000 for each bank is sufficient collateral for the deposit held by Farm Bureau and Citizen Saving.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2011:

Wireless(Celluar) Service		
ATT	\$ 35,765	
Sprint	2,750	
Other	6,407	
Prepaid Wireless	10,949	
Total Wireless		55,871
Interest Accured		128
Total Receivables		<u>\$ 55,999</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, 2011

5. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 2011 follows

	BEGINNING January 1, 2011	Additions	Deductions	ENDING December 31, 2011
Communication equipments	\$ 350,447	\$ 62,382	\$ -	412,829
Other equipments	28,459			28,459
Recording equipments	32,137			32,137
Mapping Equipments	113,065			113,065
Office equipments & Furnitures	20,837			20,837
Vehicles	22,447			22,447
Maps	103,174			103,174
Total Capital Assests Being				
Depreciated	670,566	62,382	-	732,948
Less Accumulated Depreciation	(451,470)	(61,696)		(513,166)
Total Capital Assests Being				
Depreciated, Net	219,096	686		219,782
Construction -in - Progress	61,462	10,158		71,620
Land	74,044			74,044
Capital Assts, Net	354,602	10,844		365,446

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, 2011

6. RESERVE FOR EQUIPMENT

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

7. LITIGATION AND CLAIMS

As of December 31, 2011 there were no litigations or claims against the District.

8 RELATED PARTY TRANSACTIONS

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

9. SUBSEQUENT EVENTS

On April 27, 2012, the District has entered into agreement with Washington Parish Government to build a communication tower. The cost of the tower is \$962,000. The funding available is a Community Development Block Grant (CDBG) fund of \$833,000 and \$129,000 to be funded by the Communication District. Conditioned upon the completion of construction of the communication tower project, and upon approval for the use, the Washington Parish Government will convey ownership of the tower to the District. The District will, in turn, (1) furnish land for the tower on Dollar Road, (2) furnish all locally required funding in excess of that furnished by the State of Louisiana, and (3) manage and operate the tower after completion of the project, which includes the payment of all recurring expenses, including insurance and utilities.

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, 2011

	Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
Revenues:				
Wireline Income	\$ 136,560	\$ 136,560	\$ 129,804	\$ (6,756)
Wireless Income	315,650	310,130	339,660	29,530
Miscellaneous Income	158	158	120	(38)
Sign Fund Income	285	285		(285)
Total Revenue	<u>452,653</u>	<u>447,133</u>	<u>469,584</u>	<u>22,451</u>
Expenses:				
Equipment & Line Fees	104,640	116,880	118,570	(1,690)
Salaries	85,200	85,200	87,309	(2,109)
Telephone	6,861	6,861	9,317	(2,456)
Travel	9,600	9,600	2,963	6,637
Depreciation	66,300	52,500	61,696	(9,196)
Accounting	4,500	4,500	5,929	(1,429)
Advertising			2,030	(2,030)
Office Supplies	6,083	6,083	6,657	(574)
Insurance	20,384	20,384	22,079	(1,695)
Health Benefit	12,000	12,000	11,999	1
Payroll Taxes	7,560	7,560	6,593	967
Service & Maintenance Contracts	54,612	54,612	58,516	(3,904)
Legal Fees	2,400	2,400	2,400	-
Rent	2,400	2,400	2,200	200
Training	9,000	9,000	9,141	(141)
Utilities	3,242	6,000	4,955	1,045
Automobile Expense	6,000	3,242	4,079	(837)
Dues & Subscriptions	614	614	867	(253)
Street Signs	1,200	1,200	318	882
Miscellaneous	1,500	1,500	311	1,189
Total Expenses	<u>404,096</u>	<u>402,536</u>	<u>417,929</u>	<u>(15,393)</u>
Operating income	48,557	44,597	51,655	7,058
Non-operating Revenues & Expenses				
Interest Income	3,480	3,480	3,967	487
Total non-operating revenues	<u>3,480</u>	<u>3,480</u>	<u>3,967</u>	<u>487</u>
Change in Net Assets	52,037	48,077	55,622	7,545
Retained Earnings, Beginning of Year	<u>1,161,482</u>	<u>1,161,482</u>	<u>1,161,482</u>	<u>-</u>
Retained Earnings, End of Year	<u><u>1,213,519</u></u>	<u><u>1,209,559</u></u>	<u><u>1,217,104</u></u>	<u><u>7,545</u></u>

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, 2011

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	12/31/12
Mr. Mike Stogner, Vice-Chairman 11389 Dutch Stogner Bogalusa, La.70427	12/31/12
Mrs Cynthia August, Secretary 2387 Hwy 430 Franklinton La.70438	12/31/12
Mr. Gary Fenner, Treasurer 35483 Dock Butler Rd. Mt. Hermon, La.70450	12/31/15
Mr. Joshua Bridges 14086 Bridges Rd. Bogalusa, La. 70427	12/31/15
Mr. Mike Miller 28140 River Rd. Mt. Hermon, La. 70450	12/31/12
Mr. Jason Verret 616 N. Bankston Drive Bogalusa, La.70427	12/31/14

See accountant's compilation report.

INDEPENDENT
ACCOUNTANT'S REPORT

Minda B. Raybourn

*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, 2011 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 2011.

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 2011.

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

At the meeting held on November 8, 2010, Mr. Gary Fenner, Treasurer, presented the 2011 budget. The budget is prepared on the accrual basis of accounting. The board approved the 2011 budget at the November meeting. The amended budget was approved at September 6, 2011, meeting. The board approved the 2012 budget at the November 1, 2011, meeting.

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. . 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 six 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 six 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.

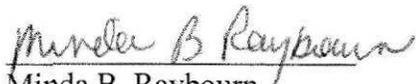
The District has three employees. A review of their pay records indicated no instances which would indicate payments constituting bonuses, advances, or gifts. I also reviewed the minutes of board meetings and there were no instances which indicated a change in pay during the year.

Prior Comments and Recommendations

12. There were no prior year comments.

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.



Minda B. Raybourn
Certified Public Accountant

May 30, 2012

LOUISIANA ATTESTATION QUESTIONNAIRE

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

December 31 2011 _____ (Date Transmitted)

Washington Parish Communication District

Minda B. Raybourn, CPA _____ (Auditors)

In connection with your review of our financial statements as of December 31, 2011, 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.

_____	Secretary	_____	Date
<u>Dary L. Lerner</u>	Treasurer	<u>1-10-17</u>	Date
<u>Jim Cole</u>	President	<u>1-10-12</u>	Date