

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

**Annual Financial Statements
As of the Year Ended December 31, 2015 and 2014
With Supplemental Information Schedules**

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

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

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With supplemental Information Schedules
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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying financial statements of the business-type activities of Washington Parish Communications District, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2015, and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my (our) conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's 'discussion and analysis and budgetary comparison schedule on page 5 through page 11 and page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. I have not audited or reviewed such required supplementary information, and, accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on it.

Other Information

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedule of Compensation Paid to Board Members and Schedule of Compensation, Benefits, and Other Payments to Agency Heads is presented for purposes of additional analysis and is not required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I did not become aware of any material modifications that should be made to such information.

Minda Raybourn

Minda Raybourn, CPA
Franklinton, LA

June 25, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Introduction

Washington Parish Communications District is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-For State and Local Governments* (hereinafter referred to as G

ASB 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, 2015 were \$1,761,840, and exceeded total liabilities in the amount of \$1,359,084 (i.e., net position). Of the total net position, \$185,468 was unrestricted and available to support short-term operations, \$1,068,899 was the balance invested in capital assets, net of related debt, \$59,554 was restricted for debt service, and \$45,163 was reserved for equipment.
- User fee revenues (phone bill charges-regular and cell) for the fiscal year ending December 31, 2015 decreased from the prior year by \$35,277 (6.63%). Total user fees for 2015 were \$496,823 and for 2014 were \$532,100.
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest expense, increased by \$4,269 (1.12%). Total operating expenses for 2015 were \$386,032 as compared to \$381,763 for 2014.
- Interest expense incurred in 2015 was \$14,245.
- Interest income for the fiscal year ended December 31, 2015 totaled \$72, representing a decrease of \$7.

**Washington Parish Communications District
A 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 Position, Statement of Revenues, Expenses, Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position provides information about the nature and amount of the District's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The Statement of Revenues, Expenses, and Changes in Net Position, accounts for the operation of the Communication District's revenues and expenses for the fiscal year and the resulting change in net position, and provides information on how net position changed during the year. This statement measures the success of the District's operations in a format that can be used to determine if the District has recovered its costs through user fees and other charges.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and provides information on the source of cash receipts, what the cash was used for, and the total change in cash for the reporting period.

The notes to the financial statements provide required disclosures essential to an understanding of the financial statements. They present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events if any. Supplementary information includes a budget/actual comparative schedule, the Independent Accountant's Report of Agreed Upon Procedures, containing reports detailing the District's compliance with certain laws and regulations.

Washington Parish Communications District
A 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 Position, and the Statement of Revenues, Expenses, and Changes in Net Position, are presented below in condensed format. These statements report the net position, the difference between assets and liabilities, and the change in Net Position, which provides information for indicating the financial condition of the District. Following these statements is a separate schedule summarizing and analyzing budget variances for the current fiscal year.

Condensed Statement of Net Position

	December 31, 2015	December 31, 2014	Dollar Change	Percent Change
Current and Other Assets	\$ 297,941	\$ 298,294	\$ (353)	-0.12%
Capital Assets	1,463,899	1,468,592	(4,693)	-0.32%
Total Assets	<u>\$ 1,761,840</u>	<u>\$ 1,766,886</u>	<u>(5,046)</u>	<u>-0.29%</u>
Current Liabilities	32,756	38,153	(5,397)	-14.15%
Long Term Debt Outstanding	370,000	395,000	(25,000)	-6.33%
Total Liabilities	<u>402,756</u>	<u>433,153</u>	<u>(30,397)</u>	<u>-7.02%</u>
Invested in Capital Assets				
Net of Related Debt	1,068,899	1,048,592	20,307	1.94%
Restricted for Debt Service	59,554	60,026	(472)	-0.79%
Restricted for Capital Activity	45,163	45,163	-	0.00%
Unrestricted	185,468	179,952	5,516	3.07%
Total Net Position	<u>1,359,084</u>	<u>1,333,733</u>	<u>25,351</u>	<u>1.90%</u>

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

The major component of change for "Current and Other Assets" is a decrease in operating cash of \$1,221.

"Current Liabilities" decreased by \$6,331 primarily due to the decrease in accounts payable.

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

"Total Net Position" (total assets less total liabilities) increased by \$25,351 for the fiscal year ending December 31, 2015, which is the net operating income for the year.

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

Condensed Statement Changes in Net Position

	December 31, 2015	December 31, 2014	Dollar Change	Percent Change
Revenues				
Operating Revenues	\$ 496,823	\$ 532,100	\$ (35,277)	-6.63%
Non-Operating Revenues	72	79	(7)	-8.9%
Total Revenues	496,895	532,179	(35,284)	-6.63%
Expenses:				
Depreciation Expense	71,267	84,685	(13,418)	-15.84%
Other operating Expenses	386,032	381,763	4,269	1.12%
Non-operating Expenses	14,245	15,126	(881)	-5.82%
Total Expenses	471,544	481,574	(10,030)	-2.08%
Change in Net Position	25,351	50,605	(25,254)	-49.90%
Beginning Net Position	1,333,733	1,283,128	50,605	3.94%
Ending Net Position	\$ 1,359,084	\$ 1,333,733	25,351	1.90%

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

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Fund Net Position provides answers to the nature and scope of these changes. The above table gives an indication of how Washington Parish Communications District is being conservatively managed. Total "Operating Revenues" (including wire fees, wireless fees, and revenues related to providing these wire services to customers) decreased \$35,277 (6.63%). Non-operating Revenues decreased by \$7 (8.9%). Operating expenses remained increased by \$4,269 (1.12%). Non-operating expenses, which consists solely of interest expense, decreased by \$881. Depreciation expense decreased \$13,418.

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 18, 2014. The budget was amended at the November 3, 2015 meeting.

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

A summary of the approved budget is presented below in a condensed format summarizing major revenue and expenditure categories. It is followed by an analysis of significant variations between budget and actual amounts. Although not presented as a part of the basic financial statements, a more detailed schedule is also presented in "Schedule 1-Budgetary Comparison Schedule," as supplementary information, following the footnotes to the financial statements.

Budget vs. Actual-Fiscal Year Ended December 31, 2015

	Budget Year Ended December 31, 2015	Actual Year Ended December 31, 2015	Favorable (Unfavorable) Variance
Revenues			
Operating	471,133	496,823	25,690
Nonoperating	3,480	72	(3,408)
Total Revenues	474,613	496,895	22,282
Operating Expenses			
Equipment & Line Fees	86,280	97,795	(11,515)
Salaries & Related Benefit	113,160	119,912	(6,752)
Telephone	6,861	8,020	(1,159)
Travel	9,600	3,509	6,091
Depreciation	-	71,267	(71,267)
Interest Expense	16,500	14,245	2,255
Accounting & Legal Fees	9,396	11,099	(1,703)
Office Supplies	6,000	4,063	1,937
Insurance	39,792	32,550	7,242
Service & Maintenance Contracts	70,828	48,724	22,104
Training	9,000	686	8,314
Repairs and Maintenance	22,800	20,849	1,951
Utilities	30,000	29,719	281
Automobile Expense	6,000	4,055	1,945
Other Expenses	3,397	5,051	(1,654)
Total Expenses	429,614	471,544	(41,930)
Change in Net Position	44,999	25,351	(19,648)
Net Position, Beginning of Year	1,333,733	1,333,733	-
Net Position, End of Year	\$ 1,378,732	\$ 1,359,084	(19,648)

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

Capital Assets

At the end of the fiscal year ending December 31, 2015, Washington Parish Communications District had \$1,463,899 (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, 2014	December 31, 2015	Dollar Change	Percent Change
Land	\$ 74,044	\$ 74,044	\$ -	0.00%
Building	748,330	748,330	-	0.00%
Communication equipment	534,267	556,470	22,203	3.99%
Other equipment	62,209	87,302	25,093	28.74%
Recording equipment	32,137	32,137	-	0.00%
Mapping Equipment	113,065	123,395	10,330	8.37%
Office equipments & Furniture	61,528	67,506	5,978	8.86%
Vehicles	22,447	22,447	-	0.00%
Maps	103,174	106,144	2,970	2.80%
Fixed Assets not being Depreciated	443,038	443,038	-	0.00%
Sub-total	2,194,239	2,260,813	(66,574)	-2.94%
Less Accumulated Depreciation	(725,647)	(796,914)	71,267	8.94%
Net Capital Asset	<u>1,468,592</u>	<u>1,463,899</u>	<u>4,692</u>	<u>0.32%</u>

The District made incurred several capital expenditures during 2015. Various acquisitions and improvements to communications equipment were \$22,203, various computer equipment, software and other for \$25,093, various office furniture for \$5,978, and mapping equipment for \$13,300. Depreciation expense was incurred in the amount of \$71,267.

Long-Term Debt

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

	2015	2014
Revenue Bonds	\$ 395,000	\$ 420,000

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

Future Economic Plans

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

FINANCIAL STATEMENTS

Schedule A

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

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
December 31, 2015

ASSETS	2015	2014
Current Assets:		
Cash and Cash Equivalents	\$ 141,115	\$ 142,336
Investments	22,274	22,257
Accounts Receivable	64,330	58,347
Accrued Interest Receivable		
Prepaid Insurance	129	129
Prepaid Contract	10,348	15,008
Utility Deposits	191	191
Total Current Assets	238,387	238,268
Noncurrent Assets:		
Restricted Cash	59,554	60,026
Capital Assets:		
Building	748,331	748,331
Equipment	995,400	928,826
Less accumulated Depreciation	(796,914)	(725,647)
Total Capital Assets	946,817	951,510
Fixed Asset Not in Use	443,038	443,038
Land	74,044	74,044
Capital Assets, Net	1,463,899	1,468,592
Total Assets	1,761,840	1,766,886
 Liabilities		
Current Liabilities:		
Accounts Payable	4,536	10,867
Payroll taxes Payable	3,220	2,286
Bonds Payable-Due Within One Year	25,000	25,000
Total Current Liabilities	32,756	38,153
Noncurrent Liabilities:		
Bonds Payable-Due in More Than 1 Year	370,000	395,000
 Net Assets		
Invested in Capital Assets, net of related debt	1,068,899	1,048,592
Restricted for Debt Service	59,554	60,026
Restricted for Equipment	45,163	45,163
Unrestricted	185,468	179,952
Total Net Assets	\$ 1,359,084	\$ 1,333,733

See accompanying notes and independent accountant's review report.

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
PROPRIETARY FUND TYPE
Year ended December 31, 2015

	2015	2014
Operating Revenues:		
Wireline Income	155,312	\$ 170,379
Wireless Income	341,435	356,315
Sign Fund Income	76	115
Other Income	-	5,291
Total Operating Revenue	496,823	532,100
Operating Expenses:		
Equipment & Line Fees	97,795	91,013
Salaries	93,991	90,510
Telephone	8,020	8,178
Travel	3,509	4,253
Depreciation	71,267	84,685
Accounting	8,699	7,749
Office Supplies	4,063	8,790
Insurance	32,550	36,476
Health Benefit	18,504	14,666
Payroll Taxes	7,417	7,420
Service & Maintenance Contracts	48,724	46,326
Legal Fees	2,400	2,400
Repairs and Maintenance	20,849	18,283
Rent	-	-
Training	686	4,307
Utilities	29,719	36,635
Automobile Expense	4,055	3,209
Dues & Subscriptions	327	375
Bank Fees	830	689
Street Signs	169	220
Professional Fees	3,725	-
Miscellaneous	-	264
Total Operating Expenses	457,299	466,448
Operating Income	39,524	65,652
Nonoperating Revenues & (Expenses):		
Interest Expense	(14,245)	(15,126)
Interest Income	72	79
Total Nonoperating Revenues	(14,173)	(15,047)
Change in Net Assets	25,351	50,605
Total Net Assets, Beginning of Year	1,333,733	1,283,128
Total Net Assets, End of Year	1,359,084	1,333,733

See accompanying notes and independent accountant's review report.

Schedule C

WASHINGTON PARISH COMMUNICATION DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
Year ended December 31, 2015

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers	\$ 499,132	\$ 519,138
Cash received from others	76	5,406
Cash payments for goods and services	(301,158)	(283,423)
Cash payments for employees	(93,991)	(90,510)
Net cash provided (used) by operating activities	<u>104,059</u>	<u>150,611</u>
Cash flows from capital and related financing activities:		
Proceeds from capital debt	-	-
Purchases of capital assets	(66,574)	(53,712)
Payments from/to restricted assets	(38,773)	(40,280)
Net cash provided (used) by capital and related financing activities	<u>(105,347)</u>	<u>(93,992)</u>
Cash flows from investing activities		
Interest from investments	72	79
Proceeds from sale of investments	-	-
Net cash provided (used) by financing activities	<u>72</u>	<u>79</u>
Net increase (decrease) in cash and equivalents	(1,216)	56,698
Cash and cash equivalents, beginning of year	142,331	85,633
Cash and cash equivalents, end of year	<u>\$ 141,115</u>	<u>\$ 142,331</u>
Reconciliation of cash equivalents and investment cash to statement of net position		
Cash and cash equivalent	141,115	142,331
Total cash and cash equivalents	<u>\$ 141,115</u>	<u>\$ 142,331</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 39,524	\$ 65,652
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	71,267	84,685
(Increase) decrease in accounts receivable	(5,995)	(19,742)
(Increase) decrease in accrued interest receivable	-	59
(Increase) decrease in prepaid expenditures	4,660	18,354
Increase (decrease) in accounts payable	(6,331)	1,613
Increase (decrease) in payroll payable	934	(10)
Total adjustments	<u>64,535</u>	<u>84,959</u>
Net cash provided (used) by operating activities	<u>\$ 104,059</u>	<u>\$ 150,611</u>

See accompanying notes and independent accountant's review report.

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, 2015

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, 2015

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, 2015

D. BASIS OF ACCOUNTING

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

Revenues

Wire-line:

On November 10, 1988, the voters of Washington Parish approved a levy, not to exceed 5% of the tariff rate approved by Public Service Commission, on each private and commercial telephone to fund the enhanced 911 emergency telephone service. Beginning in 2012, AT&T Telephone Company began collecting a service charge of \$0.68 per residential and \$2.95 per commercial telephone line. AT&T remits monthly collections (less a 1% administrative fee) to the District by the fifteenth (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 AT&T's Mobility as per the Federal Communications Commission in its Report and Order and Further Notice of Proposed Rulemaking in FCC docket No. 94-102, released on July 26, 1996, which requires cellular and broadband PCS licensees and certain wireless licensees to initiate action for the provision of Phase I E-911 service (as defined in the FCC Order), which will enable such licensees to relay a caller's mobile directory number information and the location of a cell site receiving a 911 call to the designated Communications District.

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

Expenses

The District records expenses when the liability has been incurred.

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

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2015

E. BUDGET PRACTICES

At the meeting held on November 18, 2014, the 2015 budget was adopted. The amended budget was approved at the November 3, 2015 meeting. The budget is prepared on the accrual basis of accounting.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, and interest-bearing demand deposits. The District includes in cash and cash equivalents, amounts in time deposits and those investments in bank certificates of deposits with original maturities of no more than 90 days. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. Investments are stated at amortized cost.

G. RESTRICTED ASSETS

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

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

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2015

H. FIXED ASSETS

Fixed assets of the District are stated on the balance sheet of the Enterprise Fund at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Vehicles	5 years
Equipment	7 years
Computer equipment	5 years

I. COMPENSATED ABSENCES

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized, as current-year expenditures in the proprietary fund when leave is actually taken.

Employees of the District earn vacation leave at varying rates according to years of service. Vacation leave must be taken during the year earned. However, upon termination employees are paid for any unused vacation leave earned during the year.

Employees earn 12 days of sick leave each year. A total of 45 days may be accumulated. All accumulated sick leave lapses upon termination.

I. LONG-TERM LIABILITIES

Long-term liabilities consist of debt or other obligations that have maturities in excess of one year.

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

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2015

J. NET POSITION

Restricted Net Position-

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

Unrestricted Net Position-

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

2. CASH AND CASH EQUIVALENTS

At December 31, 2015, the District had cash and cash equivalents (book balances) totaling \$200,669.

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, 2015, the District had \$147,213 in deposits (collected bank balances), at Capital One Bank and \$59,554 in deposits at Regions Bank which were secured by federal deposit insurance.

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

Notes to the Financial Statements (continued)
As of and for the Year Ended December 31, 2015

3. INVESTMENTS

At December 31, 2015, the District held investments as follows:

	Cash Equivalent	FDIC Pledge Security
Lamp	\$ 22,269	\$ -

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.

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.

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, 2015

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

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

4. RECEIVABLES

The following is a summary of receivables at December 31, 2015:

Wireline/Wireless(Celluar) Service	
ATT	\$ 11,183
Other	53,147
Total Receivables	<u>\$ 64,330</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, 2015

5. RESTRICTED CASH

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

Restricted Cash:	
Debt Service Fund	18,971
Debt Reserve Fund	40,583
Total	<u>59,554</u>

6. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 2015 follows:

	Beginning January 1, 2015	Additions	Deductions	Ending December 31, 2015
Building	\$ 748,330	-	-	\$ 748,330
Communication equipment	534,267	22,203	-	556,470
Other equipment	62,209	25,093	-	87,302
Recording equipment	32,137	-	-	32,137
Mapping Equipment	113,065	10,330	-	123,395
Office equipments & Furniture	61,528	5,978	-	67,506
Vehicle	22,447	-	-	22,447
Maps	103,174	2,970	-	106,144
Total Capital Assets Being				
Depreciated	1,677,157	66,574	-	1,743,731
Less Accumulated Depreciation	(725,647)	(71,267)		(796,914)
Total Capital Assets Being				
Depreciated, Net	951,510	(4,693)	-	946,817
Fixed Assets not being Depreciated	443,038	-	-	443,038
Land	74,044	-	-	74,044
Capital Assets, Net	<u>1,468,592</u>	<u>(4,693)</u>	<u>-</u>	<u>1,463,899</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, 2015

7. LONG-TERM DEBT

Below is a summary of long term obligations for the year ended December 31, 2015:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>	<u>Due Within One Year</u>
2012 Revenue Bonds	420,000	-	(25,000)	395,000	25,000

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

The schedule to amortize all future debt service payments including interest of \$95,815 are shown as follows:

Year Ending 12/31/2015	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	25,000	13,388	38,388
2017	25,000	12,513	37,513
2018	25,000	11,638	36,638
2019	25,000	10,763	35,763
2020	30,000	9,800	39,800
2021-2025	155,000	33,163	188,163
2026-2027	110,000	4,550	114,550
Total	<u>395,000</u>	<u>95,815</u>	<u>490,815</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, 2015**

8. RESERVE FOR EQUIPMENT

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

9. LITIGATION AND CLAIMS

As of December 31, 2015 there were no litigations or claims against the District.

10. RELATED PARTY TRANSACTIONS

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

11. SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 25, 2016, the date the financial statements were available to be issued. No events were noted that required recording or disclosure in the financial statements for the fiscal year ending December 31, 2015.

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, 2015

	Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
Revenues:				
Wireline Income	\$ 136,560	\$ 136,560	\$ 155,312	\$ 18,752
Wireless Income	334,130	334,130	341,435	7,305
Miscellaneous Income	158	158	-	(158)
Sign Fund Income	285	285	76	(209)
Total Revenue	<u>471,133</u>	<u>471,133</u>	<u>496,823</u>	<u>25,690</u>
Expenses:				
Equipment & Line Fees	100,080	86,280	97,795	(11,515)
Salaries	85,200	90,000	93,991	(3,991)
Telephone	6,861	6,861	8,020	(1,159)
Travel	9,600	9,600	3,509	6,091
Depreciation	-	-	71,267	(71,267)
Accounting	6,996	6,996	8,699	(1,703)
Office Supplies	6,000	6,000	4,063	1,937
Insurance	37,392	39,792	32,550	7,242
Health Benefit	15,600	15,600	18,504	(2,904)
Payroll Taxes	7,560	7,560	7,417	143
Service & Maintenance Contracts	40,228	70,828	48,724	22,104
Legal Fees	2,400	2,400	2,400	-
Repairs and Maintenance	12,000	22,800	20,849	1,951
Training	9,000	9,000	686	8,314
Utilities	30,000	30,000	29,719	281
Automobile Expense	6,000	6,000	4,055	1,945
Dues & Subscriptions	614	614	327	287
Bank Charges	83	83	830	(747)
Street Signs	1,200	1,200	169	1,031
Professional Fees	1,500	1,500	3,725	(2,225)
Miscellaneous	-	-	-	-
Total Expenses	<u>378,314</u>	<u>413,114</u>	<u>457,299</u>	<u>(44,185)</u>
Operating income	92,819	58,019	39,524	(18,495)
Non-operating Revenues & Expenses				
Interest Income	3,480	3,480	72	(3,408)
Interest Expense	(16,500)	(16,500)	(14,245)	2,255
Total non-operating revenues	<u>(13,020)</u>	<u>(13,020)</u>	<u>(14,173)</u>	<u>(1,153)</u>
Change in Net Position	79,799	44,999	25,351	(19,648)
Net Position, Beginning of Year	<u>1,333,733</u>	<u>1,333,733</u>	<u>1,333,733</u>	<u>-</u>
Net Position, End of Year	<u>1,413,532</u>	<u>1,378,732</u>	<u>1,359,084</u>	<u>(19,648)</u>

See independent accountant's review report.

Schedule 2

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

SUPPLEMENTAL INFORMATION SCHEDULE
Year Ended December 31, 2015

COMPENSATION PAID BOARD MEMBERS

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

	<u>Term</u>
Mr. James Coleman, Chairman 1530 Military Rd. Bogalusa, La. 70427	12/31/2016
Mr. Mike Stogner, Vice-Chairman 11389 Dutch Stogner Bogalusa, La.70427	12/31/2016
Mrs Cynthia August, Secretary 23873 Hwy 430 Franklinton, La.70438	12/31/2018
Mr. Gary Fenner, Treasurer 35483 Dock Butler Rd. Mt. Hermon, La.70450	12/31/2019
Mr. Orlander Smith 31253 Hwy 438 Franklinton, LA 70438	12/31/2019
Mr. Stephen C. "Clay" Richardson 3115 8th Avenue Franklinton, La. 70438 (Completing Mr. Mike Miller's term)	12/31/2016
Willie Cook Byrd 13033 S. Choctaw Bogalusa, La.70427	12/31/2018

See independent accountant's review report.

Schedule 3

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

SUPPLEMENTAL INFORMATION SCHEDULE
Year Ended December 31, 2015

COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Agency Head: Ms. Joana Thomas, Director

Compensation	41,034
Payroll Taxes	3,139
Health Insurance	7,120
Dues	119
Meals	98
Reimbursements for Office Expense	768
	<u>52,278</u>

See independent accountant's review 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 Communications District
Board of Commissioners
Washington Parish Council
Franklinton, LA

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Washington Parish Communications District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Washington Parish Communications District compliance with certain laws and regulations during the year ended December 31, 2015 included in the accompanying Louisiana Attestation Questionnaire. Management of Washington Parish Communications District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this 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 \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

There were no expenditures incurred by the District that were over \$30,000 for material and supplies or \$150,000 for public works projects.

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 R.S. 42:1101-1124 (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 us 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.

None of the employees included on the list of employees provided by management agreed-upon Procedure 3 appeared on the list provided by management in agreed-upon Procedure 2.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. The budget was amended before the year ended.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on November 18, 2014 which indicated that the budget had been adopted by the commissioners of Washington Parish Communications District.

The budget was amended and was traced to the minutes of a meeting held on November 3, 2015 which indicated that the budget had been adopted by the commissioners of Washington Parish Communications District.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

Washington Parish Communications District is an enterprise fund and is not subject to the provisions of the law for general funds and special revenue funds.

Accounting and Reporting

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.

(b) Determine if payments were properly coded to the correct fund and general ledger account; and

The selected six payments were properly to the correct fund and general ledger account.

(c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the chairman of the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings 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. I noticed a copy of the noticed was posted as required.

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 for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advance, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

My prior year report, dated June 30, 2015 did not include any comments or unresolved matters.

I was not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had we 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 Washington Parish Communicaitons 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Minda Raybourn, CPA

Minda Raybourn

June 24, 2016

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

Washington Parish Communications District

54100 Dollar Road

Franklinton, LA 70438

June 13, 2016 (Date Transmitted)

Minda B. Raybourn CPA LLC

820 11TH Avenue
Franklinton, LA 70438

In connection with your review of our financial statements as of December 31, 2015 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 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 regulations 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 June 16, 2016 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [X] 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 R.S. 42:1101-1124.

Yes [X] 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 R.S. 42:1119.

Yes [X] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [X] 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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [X] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [X] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [X] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [X] 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 R.S. 39:1410.60-1410.65.

Yes [X] No []

Advances and Bonuses

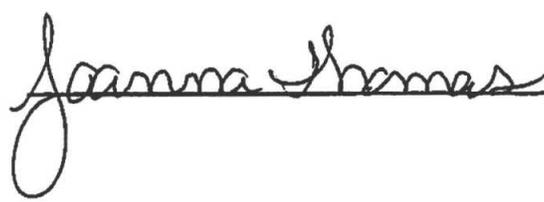
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [X] 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 that may occur subsequent to the issuance of your report.

 _____ Chariman 6/17/16 _____ Date

 _____ Director 6/17/16 _____ Date