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FRANKLIN PARISH COMMUNICATIONS DISTRICT
WINNSBORO, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 01 2000

FRANKLIN PARISH COMMUNICATIONS DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Franklin Parish Communications District
Winnsboro, Louisiana

We have audited the accompanying general-purpose financial statements of the Franklin Parish Communications District, as of and for the year ended September 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Franklin Parish Communications District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Franklin Parish Communications District, as of September 30, 1999, and the results of its operation for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2000, on our consideration of the Franklin Parish Communications District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Franklin Parish Communications District, taken as a whole. The accompanying Schedule of Compensation Paid Board Members is presented for purposes of additional analysis, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

The Franklin Parish Communications District has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards

Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the Franklin Parish Communications District is or will become year 2000 compliant, that the Franklin Parish Communications District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Franklin Parish Communications District does business are or will become year 2000 compliant.

Marcus, Robinson and Hassell
Winnsboro, Louisiana
January 31, 2000

FRANKLIN PARISH COMMUNICATIONS DISTRICT
SPECIAL REVENUE FUND
BALANCE SHEET
SEPTEMBER 30, 1999

ASSETS

ASSETS

Cash	102,805
Accounts Receivable	9,044
Office Furniture & Fixtures	106,076
Automobile	16,218
Accumulated Depreciation	<u>(103,420)</u>

TOTAL ASSETS

130,723

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued Payroll Taxes	<u>284</u>
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TOTAL LIABILITIES

284

FUND BALANCE

Unreserved-Undesignated	<u>130,439</u>
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TOTAL LIABILITIES AND FUND BALANCE

130,723

See Notes to Financial Statements

FRANKLIN PARISH COMMUNICATIONS DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1999

REVENUES

911 Fees	109,171
Interest	4,108
Other Income	<u>3,626</u>

TOTAL REVENUES

116,905

EXPENDITURES

Accounting	1,550
Bank Charges	180
Contracts	1,104
Depreciation	7,151
Equipment Rental	32,095
Insurance	7,509
Office Supplies	2,157
Postage	426
Retirement	2,812
Salaries	43,552
Signs	725
Subscriptions	160
Supplies	194
Taxes	1,160
Telephone	3,124
Training	990
Travel	1,010
Vehicle Expense	<u>1,759</u>

TOTAL EXPENDITURES

107,658

EXCESS REVENUES OVER EXPENDITURES

9,247

FUND BALANCE AT BEGINNING OF YEAR

121,192

FUND BALANCE AT END OF YEAR

130,439

See Notes to Financial Statements

FRANKLIN PARISH COMMUNICATIONS DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
911 Fees	108,930	109,171	241
Interest	1,750	4,108	2,358
Other Income	<u>1,640</u>	<u>3,626</u>	<u>1,986</u>
<u>TOTAL REVENUES</u>	112,320	116,905	4,585
<u>EXPENDITURES</u>			
Accounting	1,550	1,550	0
Bank Charges	180	180	0
Contracts	1,105	1,104	1
Depreciation	7,000	7,151	(151)
Equipment Rental	32,095	32,095	0
Insurance	7,510	7,509	1
Office Supplies	4,353	2,157	2,196
Postage	426	426	0
Retirement	2,813	2,812	1
Salaries	43,553	43,552	1
Signs	725	725	0
Subscriptions & Dues	160	160	0
Supplies	0	194	(194)
Taxes	1,126	1,160	(34)
Telephone	3,124	3,124	0
Training	991	990	1
Travel	1,010	1,010	0
Vehicle Expense	<u>1,760</u>	<u>1,759</u>	<u>1</u>
<u>TOTAL EXPENDITURES</u>	<u>109,481</u>	<u>107,658</u>	<u>1,823</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	2,839	9,247	6,408
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>121,192</u>	<u>121,192</u>	<u>0</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>124,031</u>	<u>130,439</u>	<u>6,408</u>

See Notes to Financial Statements

FRANKLIN PARISH COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Franklin Parish Communications District was created by the Franklin Parish Police Jury. The district is governed by a seven member board appointed by the police jury. The district is responsible for installation, maintenance, and operation of a 911 emergency system in Franklin Parish.

Financial Reporting Entity

The reporting entity for Franklin Parish consists of the Franklin Parish Police Jury, which as governing authority of the parish is the component unit with oversight responsibility, and other governmental units (component units) within the parish over which the police jury exercises oversight responsibility. In accordance with GASB Codification Section 2100, Franklin Parish Communication District is considered a component unit of the parish reporting entity because; (1) commissioners of the district are appointed by the Franklin Parish Police Jury and; (2) the district provides 911 emergency service to residents within Franklin Parish. While Franklin Parish Communications District is an integral part of the parish reporting entity and should be included within the general purpose financial statements of that reporting entity, GASB Codification Section 2600 provides that a component unit may also issue financial statements separate from those of the reporting entity. Accordingly, the accompanying financial statements present information only on the financial operations of Franklin Parish Communications District and do not present information on the Franklin Parish Police Jury, the general government services provided by the police jury or on other component units that comprise the Franklin Parish reporting entity.

Fund Accounting

Franklin Parish Communications District is organized and operated on a fund basis whereby a self-balancing set of accounts (Special Revenue Fund) is maintained that comprises its assets, liabilities, fund balance, revenues, and expenditures. The operations are accounted for as a Special Revenue Fund. This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. The Special Revenue Fund is accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgets and Budgetary Accounting

Proposed budgets, prepared on a basis consistent with generally accepted accounting principles (GAAP), are presented by the superintendent prior to the commencement of each fiscal year. After public hearings, the proposed budget, after any amendments deemed necessary, is adopted by the Board. Budgetary amendments are processed in the same manner.

For the year ended September 30, 1999, a budget was prepared. The failure to prepare a budget constitutes a violation of state law and is not in compliance with generally accepted accounting principles.

FRANKLIN PARISH COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the Communications District must 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.

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits

All unpaid vacation and sick pay must be taken during the current year or they lapse at December 31. The amounts accumulated at September 30 are immaterial.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 1999, consist of the current amount due from South Central Bell and Century Telephone for the collection of 911 fees.

NOTE 3 - LITIGATION AND CLAIMS

The district is not involved in any litigation at September 30, 1999, nor is it aware of any unasserted claims.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$7,151.

NOTE 5 - EQUIPMENT LEASE

The District has entered into a year by year equipment lease with Bell South Telecommunications, Inc. The lease can be terminated by either party with thirty days prior written notice to the other party. The monthly lease is \$2,753.

NOTE 6 - PENSIONS

All of the Franklin Parish Communications District's full-time employees participate in the Parochial Employees' Retirement System, State of Louisiana ("System"), a multiple employer public employee retirement system (PERS). The payroll for employees covered by the system for the year ended September 30, 1999, was \$36,288. The District's total payroll for the year then ended was \$43,552.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least 28 hours per week, not participating in another publicly funded retirement system.

The system is comprised of two plans. The District's employees are covered under "Plan A". A member of Plan A can retire provided he/she is age 55 with thirty years of creditable service or is age 62 with a minimum of 10 or more years of creditable service.

FRANKLIN PARISH COMMUNICATIONS DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

NOTE 6 - PENSIONS - CONTINUED

Generally, the monthly amount of retirement allowance for any member of Plan A shall consist of an amount equal to 2% of the member's final compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The Plan provides for death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

Each participating employer under Plan A contributes an amount equal to 7.75% of each and every member's earnings. Each employee in Plan A contributes 9.5% of monthly earnings. The contribution requirement for the year ended September 30, 1999, was \$6,259, which consisted of \$2,812 from the District and \$3,447 from employees; these contributions represented 7.75% and 9.5% of covered payroll, respectively.

Trend Information:

<u>Contributions Required by State Statute</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Parochial Employees Retirement System (Plan A)			
Employer	2,812	2,246	2,928
Employee	3,447	2,753	3,648
Total Statutorily Required Contributions	<u>6,259</u>	<u>4,999</u>	<u>6,576</u>

100% of required contributions were made for each year.

Additional information and ten year historical trend information can be obtained from the separately issued comprehensive annual financial reports on each of the above list plans.

NOTE 7 - CASH

For the purpose of these financial statements, the Franklin Parish Communications District considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

Cash is classified into three categories to give an indication of the level of risk assumed a year end. Category 1 includes investments insured or registered or securities which are held by the Franklin Parish Communications District or its agent in the Franklin Parish Communications District's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the bank or agent in the Franklin Parish Communications District's name. Category 3 includes uninsured or unregistered investments with the securities held by the bank or agent but not in the Franklin Parish Communications District's name.

The carrying amount of the Franklin Parish Communications District's deposits with the financial institutions was 109,669 and the book balance was 102,805. The bank balance is categorized as follows:

	<u>Category</u>		
	1	2	3
Cash	100,000	9,669	0

At September 30, 1999, all funds were collateralized.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Franklin Parish Communications District
Winnsboro, Louisiana

We have audited the financial statements of the Franklin Parish Communications District, as of and for the year ended September 30, 1999, and have issued our report thereon dated January 31, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Franklin Parish Communications District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners and the Legislative Auditor of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Marcus, Robinson and Hassell
Winnsboro, Louisiana
January 31, 2000

FRANKLIN PARISH COMMUNICATIONS DISTRICT
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
YEAR ENDED SEPTEMBER 30, 1999

<u>Board Member</u>	<u>Amount</u>
Steve Pylant	None
Don Brown	None
Leo L. Wilson	None
Mitch Reynolds	None
Bill McLemore	None
Myles Kiper	None
Eugene Parker	None