

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

**Annual Financial Statements
As of the Year Ended December 31, 2020 and 2019**

Minda B. Raybourn

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Limited Liability Company

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

**Annual Financial Statements
With Supplemental Information Schedules
As of the Year Ended December 31, 2020 and 2019**

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Washington Parish Communications District
Washington Parish Government
Franklinton, Louisiana

I have audited 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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on our audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Washington Parish Communications District as of December 31, 2020

and 2019, and the respective changes in financial position and, where applicable, cash flows thereof or the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-10) and the budgetary comparison information (page 25) 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Parish Communications District's basic financial statements. The schedule of compensation paid to board members and schedule of compensation, benefits, and other payments to the agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to the agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of compensation paid to the Board of Commissioners is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 15, 2021, on my consideration of the Washington Parish Communication District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington Parish Communication District's internal control over financial reporting and compliance.

Minda Raybourn

Franklinton, Louisiana
October 15, 2021

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 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, 2020, were \$3,942,683 and exceeded total liabilities in the amount of \$3,649,050 (i.e., net position). Of the total net position, \$145,709 was unrestricted and available to support short-term operations, \$3,313,308 was the balance invested in capital assets, net of related debt, \$63,554 was restricted for debt service, \$81,316 was restricted for capital funds, and \$45,163 was restricted for equipment.
- User fee revenues (phone bill charges-regular and cell) for the fiscal year ending December 31, 2020, increased from the prior year by \$8,801 (1.23%). Total user fees for 2020 were \$725,933 and for 2019 were \$717,132.
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest and depreciation expense, increased by \$57,003 (11.60%). Total operating expenses for 2020 were \$548,585 as compared to \$491,582 for 2019.
- Interest expense incurred in 2020 was \$9,800. Bond principal payments in the amount of \$30,000 were paid.

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.

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

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 and the Independent Accountant's Report of Agreed Upon Procedures containing reports detailing the District's compliance with certain laws and regulations.

Financial Analysis

The purpose of financial analysis is to help determine whether the 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.

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

Condensed Statement of Net Position

	December 31, 2020	December 31, 2019	Dollar Change	Percent Change
Current and Other Assets	\$ 364,375	\$ 544,081	\$ (179,706)	-33.03%
Capital Assets	3,578,308	3,407,280	171,028	5.02%
Total Assets	<u>\$ 3,942,683</u>	<u>\$ 3,951,360</u>	<u>(8,677)</u>	<u>-0.22%</u>
Current Liabilities	58,633	123,313	(64,680)	-52.45%
Long Term Debt Outstanding	235,000	265,000	(30,000)	-11.32%
Total Liabilities	<u>293,633</u>	<u>388,313</u>	<u>(94,680)</u>	<u>-24.38%</u>
Invested in Capital Assets				
Net of Related Debt	3,313,308	3,112,280	201,028	6.46%
Restricted for Debt Service	63,554	64,875	(1,321)	-2.04%
Restricted for Capital Funds	81,316	262,093	(180,778)	100.00%
Restricted for Equipment	45,163	45,163	-	0.00%
Unrestricted	145,709	78,636	67,073	85.30%
Total Net Position	<u>3,649,050</u>	<u>3,563,047</u>	<u>86,003</u>	<u>2.41%</u>

For additional detail refer to "Statement A" on page 12.

The major components of change for "Current and Other Assets" is a decrease in cash of \$167,454.

"Capital Assets" increased due to depreciation expense of \$182,537 offset by additions of \$353,560.

"Current Liabilities" decreased by \$64,680 primarily due to the decrease in accounts payable and accrued capital expenditures.

"Long Term Debt Outstanding" decreased due to the payment of principal of \$30,000.

"Total Net Position" (total assets less total liabilities) increased by \$86,003 for the fiscal year ending December 31, 2020, which is the net operating income for the year.

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

Condensed Statement Changes in Net Position

	December 31, 2020	December 31, 2019	Dollar Change	Percent Change
Revenues				
Operating Revenues	\$ 725,933	\$ 717,132	\$ 8,801	1.23%
Non-Operating Revenues	992	10,029	(9,038)	-90.1%
Total Revenues	<u>726,925</u>	<u>727,162</u>	<u>(237)</u>	<u>-0.03%</u>
Expenses:				
Depreciation Expense	182,537	153,154	29,383	19.19%
Other operating Expenses	548,585	491,582	57,003	11.60%
Non-operating Expenses	9,800	10,761	(961)	-8.93%
Total Expenses	<u>740,922</u>	<u>655,497</u>	<u>85,425</u>	<u>13.03%</u>
Change before Capital Contributions	<u>(13,997)</u>	<u>71,665</u>	<u>(85,662)</u>	<u>-119.53%</u>
Capital Contributions	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100%</u>
Change in Net Position	<u>86,003</u>	<u>71,665</u>	<u>14,338</u>	<u>20.01%</u>
Beginning Net Position	<u>3,563,047</u>	<u>3,491,382</u>	<u>71,665</u>	<u>2.05%</u>
Ending Net Position	<u>\$ 3,649,050</u>	<u>\$ 3,563,047</u>	<u>86,003</u>	<u>2.41%</u>

For additional detailed information, refer to "Statement B" page 13.

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 the District is being conservatively managed. Total "Operating Revenues" (including wire fees, wireless fees, and revenues related to providing these wire services to customers) increased \$8,801 (1.23%). Capital contributions of \$100,000 represents the act of transfer and conveyance from the Washington Parish Government of the 0.028 acres of land, communications tower, and all other improvements to the District. Non-operating Revenues decreased by \$9,038 (90.1%) due to a decrease in interest income. Operating expenses increased by \$57,003 (11.60%). The increase in operating expenses was due to an increase in 911-line expenditures and maintenance contracts. Non-operating expenses, which consists solely of interest expense, decreased by \$961. Depreciation expense increased \$29,383.

Budgetary Highlights

The 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 December 5, 2019.

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.

Washington Parish Communications District
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Management's Discussion and Analysis

Although not presented as a part of the basic financial statements, a more detailed schedule is also presented in Schedule 1 as supplementary information, following the footnotes to the financial statements.

Budget vs. Actual-Fiscal Year Ended December 31, 2020

	Budget Year Ended December 31, 2020	Actual Year Ended December 31, 2020	Favorable (Unfavorable) Variance
Revenues			
Operating	675,125	725,933	50,808
Capital Contributions	-	100,000	100,000
Nonoperating	3,480	992	(2,488)
Total Revenues	678,605	826,925	148,320
Operating Expenses			
Service Maintenance-ATT	22,680	19,442	3,238
911 Lines-ATT	43,200	81,299	(38,099)
Service-Other Equipment	127,200	110,174	17,026
Salaries & Related Benefit	132,564	140,447	(7,883)
Telephone	6,861	6,484	377
Travel	9,600	-	9,600
Depreciation	-	182,537	(182,537)
Interest Expense	16,500	9,800	6,700
Accounting & Legal Fees	9,396	9,735	(339)
Office Supplies	6,000	7,152	(1,152)
Insurance	56,412	50,100	6,312
Service & Maintenance Contracts	41,236	57,519	(16,283)
Training	9,000	1,503	7,497
Repairs and Maintenance	31,596	28,825	2,771
Utilities	30,000	32,378	(2,378)
Automobile Expense	6,000	1,587	4,413
Other Expenses	3,397	1,939	1,458
Total Expenses	551,642	740,922	(189,280)
Change in Net Position	126,963	86,003	(40,960)
Net Position, Beginning of Year	3,563,047	3,563,047	-
Net Position, End of Year	\$ 3,690,010	\$ 3,649,050	(40,960)

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, 2020, the District had \$3,578,308 (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, and vehicles, for system operation. The changes in capital assets are presented in the table below.

	December 31, 2019	December 31, 2020	Dollar Change	Percent Change
Land	\$ 120,919	\$ 120,919	\$ -	0.00%
Building	3,070,879	3,170,879	100,000	3.15%
Communication equipment	628,737	1,135,259	506,522	44.62%
Other equipment	242,911	256,832	13,921	5.42%
Recording equipment	52,007	64,986	12,979	19.97%
Mapping Equipment	124,933	126,961	2,028	1.60%
Office equipments & Furniture	88,636	88,636	-	0.00%
Vehicles	50,805	50,805	-	0.00%
Maps	106,144	106,144	-	0.00%
Fixed Assets not being Depreciated	281,891	-	(281,891)	0.00%
Sub-total	4,767,862	5,121,421	(353,559)	-6.90%
Less Accumulated Depreciation	(1,360,576)	(1,543,113)	182,537	11.83%
Net Capital Asset	<u>3,407,286</u>	<u>3,578,308</u>	<u>(171,023)</u>	<u>-4.78%</u>

The District incurred capital expenditures of \$253,560 of various communications equipment and improvements. Land, a communications tower, and all related improvements on property located on Pearl Street in Franklinton, LA was transferred from the Washington Parish Government to the District. Depreciation expense totaled \$182,537.

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%.

	2020	2019
Revenue Bonds	\$ 265,000	\$ 295,000

Future Economic Plans

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

FINANCIAL STATEMENTS

Schedule A

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

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
December 31, 2020

ASSETS	2020	2019
Current Assets:		
Cash and Cash Equivalents	113,828	99,184
Accounts Receivable	98,179	108,594
Prepaid Insurance	4,138	3,765
Prepaid Contract	3,168	5,378
Utility Deposits	191	191
Total Current Assets	<u>219,505</u>	<u>217,112</u>
Noncurrent Assets:		
Restricted Cash		
Debt Service	63,554	64,875
Capital Fund	81,316	262,093
Capital Assets:		
Building	3,170,878	3,070,878
Equipment	1,829,625	1,294,168
Less accumulated Depreciation	<u>(1,543,114)</u>	<u>(1,360,577)</u>
Total Capital Assets	<u>3,457,389</u>	<u>3,004,469</u>
Fixed Asset Not in Use	-	281,891
Land	<u>120,919</u>	<u>120,919</u>
Capital Assets, Net	<u>3,578,308</u>	<u>3,407,280</u>
Total Assets	<u><u>3,942,683</u></u>	<u><u>3,951,360</u></u>
Liabilities		
Current Liabilities:		
Accounts Payable	25,435	90,561
Payroll taxes Payable	3,198	2,752
Bonds Payable-Due Within One Year	<u>30,000</u>	<u>30,000</u>
Total Current Liabilities	<u>58,633</u>	<u>123,313</u>
Noncurrent Liabilities		
Bonds Payable-Due in More Than 1 Year	<u>235,000</u>	<u>265,000</u>
Net Assets		
Invested in Capital Assets, net of related debt	3,313,308	3,112,280
Restricted for Debt Service	63,554	64,875
Restricted for Capital Funds	81,316	262,093
Restricted for Equipment	45,163	45,163
Unrestricted	<u>145,709</u>	<u>78,636</u>
Total Net Assets	<u><u>\$ 3,649,050</u></u>	<u><u>\$ 3,563,047</u></u>

The accompanying notes are an integral part of these financial statements.

Schedule B

WASHINGTON PARISH COMMUNICATIONS 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, 2020

	2020	2019
Operating Revenues:		
Wireline Income	209,807	206,528
Wireless Income	515,826	510,454
Sign Fund Income	300	150
Other Income	-	-
Total Operating Revenue	<u>725,933</u>	<u>717,132</u>
Operating Expenses:		
Service Maintenance-ATT	19,442	20,533
911 Lines-ATT	81,299	38,543
Service-Other Equipment	110,174	104,328
Salaries	103,279	103,145
Telephone	6,484	8,452
Travel	-	973
Depreciation	182,537	153,154
Accounting	7,000	7,000
Office Supplies	7,152	8,592
Insurance	50,100	47,082
Health Benefit	29,232	28,422
Payroll Taxes	7,936	7,944
Service & Maintenance Contracts	57,519	41,783
Legal Fees	2,735	2,400
Repairs and Maintenance	28,825	28,407
Training	1,503	5,033
Utilities	32,378	33,763
Automobile Expense	1,587	3,190
Dues & Subscriptions	569	450
Advertising	-	161
Bank Fees	550	782
Professional Fees	150	-
Street Signs	371	114
Meals	-	185
Miscellaneous	300	300
Total Operating Expenses	<u>731,122</u>	<u>644,736</u>
Operating Income	<u>(5,189)</u>	<u>72,396</u>
Nonoperating Revenues & (Expenses):		
Gain on Sale of Asset	-	-
Interest Expense	(9,800)	(10,761)
Interest Income	992	10,029
Total Nonoperating Revenues	<u>(8,808)</u>	<u>(731)</u>
Income Before Contributions	(13,997)	71,665
Capital Contributions	<u>100,000</u>	<u>-</u>
Change in Net Position	86,003	71,665
Total Net Assets, Beginning of Year	<u>3,563,047</u>	<u>3,491,382</u>
Total Net Assets, End of Year	<u>3,649,050</u>	<u>3,563,047</u>

The accompanying notes are an integral part of these financial statements.

Schedule C

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
Year ended December 31, 2020

	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 739,797	\$ 713,234
Cash received from others	300	150
Cash payments for goods and services	(510,801)	(397,585)
Cash payments for employees	(103,279)	(103,145)
Net cash provided (used) by operating activities	<u>126,017</u>	<u>212,654</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(253,565)	(268,942)
Proceeds from sales of assets	-	-
Principal paid on debt	(30,000)	(25,000)
Interest paid on debt	(9,800)	(10,761)
Net cash provided (used) by capital and related financing activities	<u>(293,365)</u>	<u>(304,703)</u>
Cash flows from investing activities		
Interest from investments	992	10,029
Purchase of investments	(70,000)	(80,000)
Proceeds from sale of investments	251,000	165,000
Net cash provided (used) by financing activities	<u>181,992</u>	<u>95,029</u>
Net increase (decrease) in cash and equivalents	14,644	2,980
Cash and cash equivalents, beginning of year	99,184	96,204
Cash and cash equivalents, end of year	<u>\$ 113,828</u>	<u>\$ 99,184</u>
Reconciliation of cash equivalents and investment cash to statement of net position		
Cash and cash equivalent	113,828	99,184
Total cash and cash equivalents	<u>\$ 113,828</u>	<u>\$ 99,184</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ (5,189)	\$ 72,396
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	182,537	153,154
(Increase) decrease in accounts receivable	11,513	(3,748)
(Increase) decrease in prepaid expenditures	1,837	4,590
Increase (decrease) in accounts payable	(65,126)	(13,875)
Increase (decrease) in payroll payable	445	137
Total adjustments	<u>131,206</u>	<u>140,258</u>
Net cash provided (used) by operating activities	<u>\$ 126,017</u>	<u>\$ 212,654</u>

The accompanying notes are an integral part of these 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, 2020

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 (GAAP) 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.

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. These criteria include:

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.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
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Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

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.

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. Effective August 1, 2016, landline residential rates are \$1.06 and commercial rates are \$6.00. 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 licenses and certain wireless licenses 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 \$0.85 per cellular subscriber per month minus a collection fee not to exceed \$0.15 per cellular subscriber per month. Effective August 1, 2016, this rate changed to \$1.25. 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
As of and for the Year Ended December 31, 2020

E. BUDGET PRACTICES

The operating budget was adopted December 5, 2019. 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.

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.

WASHINGTON PARISH COMMUNICATIONS DISTRICT
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Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

J. LONG-TERM LIABILITIES

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

K. NET POSITION

Restricted Net Position—Restricted net position represents 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, 2020, the District had cash and cash equivalents (book balances) totaling \$177,382.

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, 2020, the District had \$113,623 in deposits (collected bank balances), at Hancock Whitney Bank and \$63,554 in deposits at Regions Bank which were secured by federal deposit insurance.

3. INVESTMENTS

At December 31, 2020, the District held investments as follows:

	Cash Equivalent	FDIC Pledge Security
Lamp	81,316	\$ -

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. 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 LA – R.S. 33:2955.

GASB Statement No. 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
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Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & 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 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 88 days (from LAMP's monthly Portfolio Holdings) as of December 31, 2020.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair 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 net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

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, 2020

4. RECEIVABLES

The following is a summary of receivables at December 31, 2020:

Wireline/Wireless(Celluar) Service	
ATT wireline/wireless service	14,141
Other wireline/wireless service	<u>84,038</u>
Total Receivables	<u>\$ 98,179</u>

5. RESTRICTED CASH

The District maintains the following accounts due to restrictions imposed by the revenue bonds or by the board for future capital acquisitions:

Restricted Cash:	
Debt Service Fund	\$ 22,422
Debt Reserve Fund	41,132
Capital Funds	<u>81,316</u>
Total	<u>\$ 144,870</u>

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, 2020

6. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 2020 as follows:

	Beginning January 1, 2020	Additions	Deductions	Ending December 31, 2020
Building	\$ 3,070,879	100,000	-	\$ 3,170,879
Communication equipment	628,737	506,522	-	1,135,259
Other equipment	242,911	13,921	-	256,832
Recording equipment	52,007	12,979	-	64,986
Mapping Equipment	124,933	2,028	-	126,961
Office equipments & Furniture	88,636	-	-	88,636
Vehicle	50,805	-	-	50,805
Maps	106,144	-	-	106,144
Total Capital Assets Being Depreciated	4,365,052	635,450	-	5,000,502
Less Accumulated Depreciation	(1,360,576)	(182,537)	-	(1,543,113)
Total Capital Assets Being Depreciated, Net	3,004,476	452,913	-	3,457,389
Fixed Assets not being Depreciated	281,891	(281,891)	-	-
Land	120,919	-	-	120,919
Capital Assets, Net	3,407,286	171,022	-	3,578,308

The District had the following capital additions:

- Transfer and conveyance from the Washington Parish Government of 0.028 acres of land, communications tower, and related improvements located on Pearl Street, Franklinton, LA valued at \$100,000.
- Placed in service the NG911 upgrade for \$503,453.
- Other communications equipment for \$32,003.

Depreciation expense totaled \$182,537.

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, 2020

7. LONG-TERM DEBT

Below is a summary of long-term obligations for the year ended December 31, 2020:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>	<u>Due Within One Year</u>
2012 Revenue Bonds	295,000	-	(30,000)	265,000	30,000

The District issued 2012 revenue bonds for the new operations center in the amount of \$465,000. 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 \$47,514 are shown as follows:

<u>Year Ending 12/31/2020</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	30,000	8,750	38,750
2022	30,000	7,700	37,700
2023	30,000	6,650	36,650
2024	30,000	5,600	35,600
2025	35,000	4,462	39,462
2026-2027	110,000	4,550	114,550
Total	<u>265,000</u>	<u>37,712</u>	<u>302,712</u>

The District paid \$9,800 in interest expense.

8. LITIGATION AND CLAIMS

As of December 31, 2020, there were no litigations or claims against the District.

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, 2020

9. COVID 19

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic, and this pandemic has resulted in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders, and quarantining of people that may have been exposed to the virus.

COVID-19 and actions taken to mitigate it have and are expected to continue to have adverse effects on the economy. As the COVID-19 pandemic is complex and rapidly evolving, we cannot reasonably estimate the duration or severity of this pandemic nor its full impact on the entity, its financial position, change in financial position, or cash flows.

10. SUBSEQUENT EVENTS

These financial statements considered subsequent events through October 15, 2021, 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, 2020.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS-BUDGET AND ACTUAL
PROPRIETARY FUND TYPE
Year Ended December 31, 2020

	Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance
Revenues:				
Wireline Income	\$ 200,856	\$ 200,856	\$ 209,807	\$ 8,951
Wireless Income	473,826	473,826	515,826	42,000
Miscellaneous Income	158	158	-	(158)
Sign Fund Income	285	285	300	15
Total Revenue	<u>675,125</u>	<u>675,125</u>	<u>725,933</u>	<u>50,808</u>
Expenses:				
Service Maintenance-ATT	22,680	22,680	19,442	3,238
911 Lines-ATT	43,200	43,200	81,299	(38,099)
Service-Other Equipment	127,200	127,200	110,174	17,026
Salaries	100,452	100,452	103,279	(2,827)
Telephone	6,861	6,861	6,484	377
Travel	9,600	9,600	-	9,600
Depreciation	-	-	182,537	(182,537)
Accounting	6,996	6,996	7,000	(4)
Office Supplies	6,000	6,000	7,152	(1,152)
Insurance	39,792	56,412	50,100	6,312
Health Benefit	24,552	24,552	29,232	(4,680)
Payroll Taxes	7,560	7,560	7,936	(376)
Service & Maintenance Contracts	37,828	41,236	57,519	(16,283)
Legal Fees	2,400	2,400	2,735	(335)
Repairs and Maintenance	31,596	31,596	28,825	2,771
Training	9,000	9,000	1,503	7,497
Utilities	30,000	30,000	32,378	(2,378)
Automobile Expense	6,000	6,000	1,587	4,413
Dues & Subscriptions	614	614	569	45
Bank Charges	83	83	550	(467)
Street Signs	1,200	1,200	371	829
Professional Fees	1,500	1,500	150	1,350
Meals	-	-	-	-
Miscellaneous	-	-	300	(300)
Total Expenses	<u>515,114</u>	<u>535,142</u>	<u>731,122</u>	<u>(195,980)</u>
Operating income	160,011	139,983	(5,189)	(145,172)
Non-operating Revenues & Expenses				
Gain on Sale of Asset	-	-	-	-
Interest Income	3,480	3,480	992	(2,488)
Interest Expense	(16,500)	(16,500)	(9,800)	6,700
Total non-operating revenues	<u>(13,020)</u>	<u>(13,020)</u>	<u>(8,808)</u>	<u>4,212</u>
Income Before Contributions	146,991	126,963	(13,997)	(140,960)
Capital Contributions	-	-	100,000	100,000
Change in Net Position	146,991	126,963	86,003	(40,960)
Net Position, Beginning of Year	<u>3,563,047</u>	<u>3,563,047</u>	<u>3,563,047</u>	<u>-</u>
Net Position, End of Year	<u>3,710,038</u>	<u>3,690,010</u>	<u>3,649,050</u>	<u>(40,960)</u>

See independent auditor's report.

Schedule 2

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

SUPPLEMENTAL INFORMATION SCHEDULE
Year Ended December 31, 2020

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	12/31/2024
Mr. Mike Stogner, Vice-Chairman 11389 Dutch Stogner Bogalusa, La.70427	12/31/2024
Mrs. Cynthia August, Secretary 23873 Hwy 430 Franklinton, La.70438	12/31/2021
Mr. Gary Fenner, Treasurer 35483 Dock Butler Rd. Mt. Hermon, La.70450	12/31/2024
Mr. Orlander Smith 31253 Hwy 438 Franklinton, LA 70438	12/31/2024
Mr. Danny Harris 46230 Jenkins Road No. 2 Franklinton, La. 70438	12/31/2024
Ms. Sarah Burris 1219 Harrison Street Bogalusa, LA 70427	12/31/2021

See independent auditor's report.

Schedule 3

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

SUPPLEMENTAL INFORMATION SCHEDULE
Year Ended December 31, 2020

COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Agency Head: Ms. Joana Thomas, Director

Compensation	\$ 45,089
Payroll Taxes	3,449
Health Insurance	11,684
Meals	39
Reimbursements	1,260
	<u>\$ 61,521</u>

See independent auditor'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
AICPA

Member
LCPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Washington Parish Communications District
Washington Parish Council
Franklinton, LA

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Washington Parish Communications District, a component unit of the Washington Parish Council, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Washington Parish Communications District's basic financial statements and have issued my report thereon dated October 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, I considered the Washington Parish Communication District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of Washington Parish Communication District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider material weaknesses or significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Communication District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Minda Raybourn

Franklinton, LA
October 15, 2021

Washington Parish Communications District
Schedule of Current Year Audit Findings
For the Year Ended December 31, 2020

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☐ Yes

☒ No

Significant deficiencies identified that are not
considered to be material weaknesses?

☐ Yes

☒ No

Noncompliance material to the financial statements note?

☐ Yes

☒ No