

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

**Annual Financial Statements
As of the Year Ended December 31, 2017 and 2016
With Supplemental Information Schedules**

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With Supplemental Information Schedules
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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, 2017, and 2016, 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. 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, 2017, and 2016, 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 5-10) 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 June 17, 2018, 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

June 17, 2018

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, 2017, were \$3,746,397 and exceeded total liabilities in the amount of \$3,385,424 (i.e., net position). Of the total net position, \$160,912 was unrestricted and available to support short-term operations, \$2,963,393 was the balance invested in capital assets, net of related debt, \$62,578 was restricted for debt service, \$153,277 was committed for capital funds, and \$45,163 was committed for equipment.
- User fee revenues (phone bill charges-regular and cell) for the fiscal year ending December 31, 2017, increased from the prior year by \$210,238 (38.27%). Total user fees for 2017 were \$759,593 and for 2016 were \$549,355.
- The District's operating expenses, consisting of those expenses resulting from the District's ongoing operations, other than interest and depreciation expense, decreased by \$10,781 (2.36%). Total operating expenses for 2017 were \$445,819 as compared to \$456,600 for 2016.
- Interest expense incurred in 2017 was \$12,367. Bond principal payments in the amount of \$25,000 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
Parish of Washington, Louisiana
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, 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 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.

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, 2017 | December 31, 2016 | Dollar Change | Percent Change |
|-----------------------------|----------------------|----------------------|------------------|-------------------|
| Current and Other Assets | \$ 222,049 | \$ 221,942 | \$ 107 | 0.05% |
| Capital Assets | 3,524,348 | 3,332,060 | 192,288 | 5.77% |
| Total Assets | <u>\$ 3,746,397</u> | <u>\$ 3,554,002</u> | <u>192,395</u> | <u>5.41%</u> |
| Current Liabilities | 40,974 | 44,190 | (3,216) | -7.28% |
| Long Term Debt Outstanding | 320,000 | 345,000 | (25,000) | -7.25% |
| Total Liabilities | <u>360,974</u> | <u>389,190</u> | <u>(28,216)</u> | <u>-7.25%</u> |
| Invested in Capital Assets | | | | |
| Net of Related Debt | 2,963,393 | 2,962,060 | 1,333 | 0.05% |
| Committed for Debt Service | 62,678 | 62,578 | 100 | 0.16% |
| Committed for Capital Funds | 153,277 | - | 153,277 | 100.00% |
| Restricted for Equipment | 45,163 | 45,163 | - | 0.00% |
| Unrestricted | 160,912 | 157,589 | 3,323 | 2.11% |
| Total Net Position | <u>3,385,424</u> | <u>3,227,390</u> | <u>158,034</u> | <u>4.90%</u> |

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

The major component of change for "Current and Other Assets" is a decrease in operating cash of \$7,700 and an increase in accounts receivable of \$10,568.

"Current Liabilities" increased by \$3,216 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 \$158,034 for the fiscal year ending December 31, 2017, 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, 2017 | December 31, 2016 | Dollar Change | Percent Change |
|-------------------------------------|----------------------|----------------------|--------------------|-------------------|
| Revenues | | | | |
| Operating Revenues | \$ 759,593 | \$ 549,355 | \$ 210,238 | 38.27% |
| Non-Operating Revenues | 3,456 | 263 | 3,193 | 1214.1% |
| Total Revenues | <u>763,049</u> | <u>549,618</u> | <u>213,431</u> | <u>38.83%</u> |
| Expenses: | | | | |
| Depreciation Expense | 146,829 | 112,216 | 34,613 | 30.85% |
| Other operating Expenses | 445,819 | 456,600 | (10,781) | -2.36% |
| Non-operating Expenses | 12,367 | 13,386 | (1,019) | -7.62% |
| Total Expenses | <u>605,015</u> | <u>582,202</u> | <u>22,813</u> | <u>3.92%</u> |
| Change before Capital Contributions | <u>158,034</u> | <u>(32,584)</u> | <u>190,618</u> | <u>-585.00%</u> |
| Capital Contributions | <u>-</u> | <u>1,900,883</u> | <u>(1,900,883)</u> | <u>100%</u> |
| Change in Net Position | <u>158,034</u> | <u>1,868,299</u> | <u>(1,710,265)</u> | <u>-91.54%</u> |
| Beginning Net Position | <u>3,227,390</u> | <u>1,359,091</u> | <u>1,868,299</u> | <u>137.47%</u> |
| Ending Net Position | <u>\$ 3,385,424</u> | <u>\$ 3,227,390</u> | <u>158,034</u> | <u>4.90%</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 Washington Parish Communications District is being conservatively managed. Total "Operating Revenues" (including wire fees, wireless fees, and revenues related to providing these wire services to customers) increased \$210,238 (38.27%). Non-operating Revenues increased by \$3,193 (1214.1%). Operating expenses decreased by \$10,781 (2.36%). Non-operating expenses, which consists solely of interest expense, decreased by \$1,019. Depreciation expense increased \$34,613.

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 December 8, 2016. The budget was amended on December 7, 2017.

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, 2017

| | Budget Year Ended December 31, 2017 | Actual Year Ended December 31, 2017 | Favorable (Unfavorable) Variance |
|---------------------------------|--|--|--|
| Revenues | | | |
| Operating | 760,431 | 759,593 | (838) |
| Nonoperating | 3,480 | 3,456 | (24) |
| Total Revenues | <u>763,911</u> | <u>763,049</u> | <u>(862)</u> |
| Operating Expenses | | | |
| Service Maintenance-ATT | 43,080 | 23,118 | 19,962 |
| 911 Lines-ATT | 43,200 | 37,958 | 5,242 |
| Service-Other Equipment | 95,952 | 94,607 | 1,345 |
| Salaries & Related Benefit | 122,112 | 129,712 | (7,600) |
| Telephone | 6,861 | 7,239 | (378) |
| Travel | 9,600 | 3,827 | 5,773 |
| Depreciation | - | 146,829 | (146,829) |
| Interest Expense | 16,500 | 12,367 | 4,133 |
| Accounting & Legal Fees | 9,396 | 8,900 | 496 |
| Office Supplies | 6,000 | 6,906 | (906) |
| Insurance | 39,792 | 33,719 | 6,073 |
| Service & Maintenance Contracts | 37,828 | 26,477 | 11,351 |
| Training | 9,000 | 5,174 | 3,826 |
| Repairs and Maintenance | 31,596 | 24,429 | 7,167 |
| Utilities | 30,000 | 37,077 | (7,077) |
| Automobile Expense | 6,000 | 5,147 | 853 |
| Other Expenses | 3,397 | 1,532 | 1,865 |
| Total Expenses | <u>510,314</u> | <u>605,016</u> | <u>(94,702)</u> |
| Change in Net Position | <u>253,597</u> | <u>158,033</u> | <u>(95,565)</u> |
| Net Position, Beginning of Year | <u>3,227,390</u> | <u>3,227,390</u> | <u>-</u> |
| Net Position, End of Year | <u>\$ 3,480,987</u> | <u>\$ 3,385,423</u> | <u>(95,565)</u> |

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, 2017, Washington Parish Communications District had \$3,308,393 (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, 2016 | December 31, 2017 | Dollar Change | Percent Change |
|------------------------------------|----------------------|----------------------|------------------|-------------------|
| Land | \$ 74,044 | \$ 115,369 | \$ 41,325 | 35.82% |
| Building | 3,024,579 | 3,032,199 | 7,620 | 0.25% |
| Communication equipment | 614,675 | 619,441 | 4,766 | 0.77% |
| Other equipment | 106,790 | 174,724 | 67,934 | 38.88% |
| Recording equipment | 52,007 | 52,007 | - | 0.00% |
| Mapping Equipment | 124,933 | 124,933 | - | 0.00% |
| Office equipments & Furniture | 86,093 | 87,610 | 1,517 | 1.73% |
| Vehicles | 51,925 | 50,805 | (1,120) | -2.20% |
| Maps | 106,144 | 106,144 | - | 0.00% |
| Fixed Assets not being Depreciated | - | - | - | 100.00% |
| Sub-total | 4,241,190 | 4,363,232 | (122,042) | -2.80% |
| Less Accumulated Depreciation | (909,130) | (1,054,839) | 145,709 | 13.81% |
| Net Capital Asset | <u>3,332,060</u> | <u>3,308,393</u> | <u>23,666</u> | <u>0.72%</u> |

The District incurred several capital expenditures during 2017. The District incurred capital expenditures of \$81,837 of various communications equipment and improvements. The District purchased property totaling \$41,325. The District sold a vehicle for \$2,350. Depreciation expense totaled \$145,709.

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%.

| | 2017 | 2016 |
|---------------|------------|------------|
| Revenue Bonds | \$ 345,000 | \$ 370,000 |

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, 2017

| ASSETS | 2017 | 2016 |
|---|--------------|--------------|
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 113,927 | \$ 99,251 |
| Investments | - | 22,376 |
| Accounts Receivable | 99,310 | 88,742 |
| Prepaid Insurance | 2,136 | 2,930 |
| Prepaid Contract | 6,484 | 8,452 |
| Utility Deposits | 191 | 191 |
| Total Current Assets | 222,049 | 221,942 |
| Noncurrent Assets: | | |
| Restricted Cash | | |
| Debt Service | 62,678 | 62,578 |
| Capital Fund | 153,277 | - |
| Capital Assets: | | |
| Building | 3,032,199 | 3,024,579 |
| Equipment | 1,215,665 | 1,142,567 |
| Less accumulated Depreciation | (1,054,839) | (909,130) |
| Total Capital Assets | 3,193,024 | 3,258,016 |
| Fixed Asset Not in Use | - | - |
| Land | 115,369 | 74,044 |
| Capital Assets, Net | 3,308,393 | 3,332,060 |
| Total Assets | 3,746,397 | 3,616,580 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts Payable | 12,318 | 15,303 |
| Payroll taxes Payable | 3,656 | 3,887 |
| Bonds Payable-Due Within One Year | 25,000 | 25,000 |
| Total Current Liabilities | 40,974 | 44,190 |
| Noncurrent Liabilities | | |
| Bonds Payable-Due in More Than 1 Year | 320,000 | 345,000 |
| Net Assets | | |
| Invested in Capital Assets, net of related debt | 2,963,393 | 2,962,060 |
| Restricted for Debt Service | 62,678 | 62,578 |
| Committed for Capital Funds | 153,277 | - |
| Committed for Equipment | 45,163 | 45,163 |
| Unrestricted | 160,912 | 157,589 |
| Total Net Assets | \$ 3,385,423 | \$ 3,227,390 |

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

Schedule B

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, 2017

| | 2017 | 2016 |
|--|-----------|-----------|
| Operating Revenues: | | |
| Wireline Income | 244,336 | 181,786 |
| Wireless Income | 496,877 | 366,704 |
| Sign Fund Income | 120 | 120 |
| Other Income | 18,260 | 745 |
| Total Operating Revenue | 759,593 | 549,355 |
| Operating Expenses: | | |
| Service Maintenance-ATT | 23,118 | 25,440 |
| 911 Lines-ATT | 37,958 | 36,651 |
| Service-Other Equipment | 94,607 | 49,174 |
| Salaries | 97,411 | 95,035 |
| Telephone | 7,239 | 7,713 |
| Travel | 3,827 | 3,576 |
| Depreciation | 146,829 | 112,216 |
| Accounting | 6,500 | 4,000 |
| Office Supplies | 6,906 | 9,257 |
| Insurance | 33,719 | 42,229 |
| Health Benefit | 25,097 | 21,281 |
| Payroll Taxes | 7,204 | 7,693 |
| Service & Maintenance Contracts | 26,477 | 35,445 |
| Legal Fees | 2,400 | 2,470 |
| Repairs and Maintenance | 24,429 | 76,603 |
| Training | 5,174 | 2,691 |
| Utilities | 37,077 | 31,273 |
| Automobile Expense | 5,147 | 4,295 |
| Dues & Subscriptions | 680 | 460 |
| Advertising | - | 103 |
| Bank Fees | 689 | 735 |
| Street Signs | 163 | 201 |
| Professional Fees | - | - |
| Miscellaneous | - | 275 |
| Total Operating Expenses | 592,650 | 568,816 |
| Operating Income | 166,943 | (19,461) |
| Nonoperating Revenues & (Expenses): | | |
| Gain on Sale of Asset | 2,350 | - |
| Interest Expense | (12,367) | (13,386) |
| Interest Income | 1,106 | 263 |
| Total Nonoperating Revenues | (8,911) | (13,123) |
| Income Before Contributions | 158,033 | (32,584) |
| Capital Contributions | - | 1,900,883 |
| Change in Net Position | 158,033 | 1,868,299 |
| Total Net Assets, Beginning of Year | 3,227,390 | 1,359,091 |
| Total Net Assets, End of Year | 3,385,423 | 3,227,390 |

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

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, 2017

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|------------------|
| Cash flows from operating activities: | | |
| Cash received from customers | \$ 876,025 | \$ 646,718 |
| Cash received from others | 18,380 | 865 |
| Cash payments for goods and services | (495,239) | (473,781) |
| Cash payments for employees | (97,411) | (95,035) |
| Net cash provided (used) by operating activities | <u>301,755</u> | <u>78,767</u> |
| Cash flows from capital and related financing activities: | | |
| Purchases of capital assets | (123,169) | (79,494) |
| Proceeds from sales of assets | 2,350 | - |
| Principal paid on debt | (25,000) | (25,000) |
| Interest paid on debt | (12,367) | (16,404) |
| Net cash provided (used) by capital and related financing activities | <u>(158,185)</u> | <u>(120,898)</u> |
| Cash flows from investing activities | | |
| Interest from investments | 1,106 | 263 |
| Purchase of investments | (130,000) | - |
| Proceeds from sale of investments | - | - |
| Net cash provided (used) by financing activities | <u>(128,894)</u> | <u>263</u> |
| Net increase (decrease) in cash and equivalents | 14,676 | (41,868) |
| Cash and cash equivalents, beginning of year | 99,251 | 141,119 |
| Cash and cash equivalents, end of year | <u>\$ 113,927</u> | <u>\$ 99,251</u> |
| Reconciliation of cash equivalents and investment cash to statement of net position | | |
| Cash and cash equivalent | 113,927 | 99,251 |
| Total cash and cash equivalents | <u>\$ 113,927</u> | <u>\$ 99,251</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ 166,943 | \$ (19,461) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | 146,829 | 112,216 |
| (Increase) decrease in accounts receivable | (11,563) | (24,517) |
| (Increase) decrease in prepaid expenditures | 2,762 | (905) |
| Increase (decrease) in accounts payable | (2,985) | 10,767 |
| Increase (decrease) in payroll payable | (231) | 667 |
| Total adjustments | <u>134,812</u> | <u>98,228</u> |
| Net cash provided (used) by operating activities | <u>\$ 301,755</u> | <u>\$ 78,767</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, 2017

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.

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.

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.

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, 2017

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 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. 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, 2017

E. BUDGET PRACTICES

At the meeting held on December 8, 2016, the budget was adopted. The budget was amended on December 7, 2017. 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
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

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 appropriate 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, 2016, the District had cash and cash equivalents (book balances) totaling \$176,605.

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, 2017, the District had \$115,313 in deposits (collected bank balances), at Capital One Bank and \$62,678 in deposits at Regions Bank which were secured by federal deposit insurance.

3. INVESTMENTS

At December 31, 2017, the District held investments as follows:

| | Cash Equivalent | FDIC Pledge Security |
|------|--------------------|----------------------------|
| Lamp | \$ 153,277 | \$ - |

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

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

Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

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

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments 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, 2017:

| | | |
|------------------------------------|----|--------|
| Wireline/Wireless(Celluar) Service | | |
| ATT wireline/wireless service | \$ | 17,457 |
| Other wireline/wireless service | | 81,853 |
| Total Receivables | \$ | 99,310 |

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, 2017

5. RESTRICTED CASH

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

| | |
|-------------------|-----------------------|
| Restricted Cash: | |
| Debt Service Fund | 21,939 |
| Debt Reserve Fund | 40,740 |
| Capital Funds | <u>153,277</u> |
| Total | <u><u>215,956</u></u> |

6. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets at December 31, 2017 as follows:

| | Beginning January 1, 2017 | Additions | Deductions | Ending December 31, 2017 |
|------------------------------------|---------------------------------|------------------------|-----------------|--------------------------------|
| Building | \$3,024,579 | 7,620 | - | \$ 3,032,199 |
| Communication Equipment | 614,675 | 4,766 | - | 619,441 |
| Other Equipment | 106,790 | 67,934 | - | 174,724 |
| Recording Equipment | 52,007 | - | - | 52,007 |
| Mapping Equipment | 124,933 | - | - | 124,933 |
| Office Equipment & Furniture | 86,093 | 1,517 | - | 87,610 |
| Vehicle | 51,925 | - | (1,120) | 50,805 |
| Maps | <u>106,144</u> | <u>-</u> | <u>-</u> | <u>106,144</u> |
| Total Capital Assets Being | | | | |
| Depreciated | 4,167,146 | 81,837 | (1,120) | 4,247,863 |
| Less Accumulated Depreciation | <u>(909,130)</u> | <u>(146,829)</u> | <u>1,120.00</u> | <u>(1,054,839)</u> |
| Total Capital Assets Being | | | | |
| Depreciated, Net | 3,258,016 | (64,992) | - | 3,193,024 |
| Fixed Assets not being Depreciated | - | - | - | - |
| Land | <u>74,044</u> | <u>41,325</u> | <u>-</u> | <u>115,369</u> |
| Capital Assets, Net | <u><u>3,332,060</u></u> | <u><u>(64,992)</u></u> | <u><u>-</u></u> | <u><u>3,308,393</u></u> |

The District incurred several capital expenditures during 2017. The District incurred capital expenditures of \$81,837 of various communications equipment and improvements. The District purchased property totaling \$41,325. The District sold a vehicle for \$2,350. Depreciation expense totaled \$145,709.

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, 2017

Depreciation is computed on a straight-line basis for financial statement purposes, over useful lives ranging from five to ten years.

7. LONG-TERM DEBT

Below is a summary of long term obligations for the year ended December 31, 2017:

| | Beginning | Additions | Deductions | Ending | Due Within One Year |
|--------------------|-----------|-----------|------------|---------|------------------------|
| 2012 Revenue Bonds | 370,000 | - | (25,000) | 345,000 | 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 \$68,601 are shown as follows:

| Year Ending 12/31/2017 | Principal | Interest | Total |
|---------------------------|-----------|----------|---------|
| 2018 | 25,000 | 11,638 | 36,638 |
| 2019 | 25,000 | 10,763 | 35,763 |
| 2020 | 30,000 | 9,800 | 39,800 |
| 2021 | 30,000 | 8,750 | 38,750 |
| 2022 | 30,000 | 7,700 | 37,700 |
| 2023-2027 | 205,000 | 19,950 | 224,950 |
| Total | 345,000 | 68,601 | 413,601 |

8. LITIGATION AND CLAIMS

As of December 31, 2017, 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, 2017

9. IMPLEMENTATION OF WIRELESS E911 SYSTEM

The Washington Parish Communications District has implemented Enhanced E911 wireline service, Phase I and Phase II, wireless E911 service, and Text to 911 wireless service.

Under Enhanced E911 wireline service, the caller's address information is displayed on the dispatch screen, enabling the dispatch of emergency personnel to the site of the emergency. This has been implemented by the Washington Parish Communications District.

Under Wireless Phase I, the FCC requires carriers, within six months of a valid request by a local Public Safety Answering Point (PSAP), to provide the PSAP with the telephone number of the originator of a wireless 911 call and the location of the cell site or base station transmitting the call. This has been implemented by the Washington Parish Communications District.

Under Wireless Phase II, the FCC requires wireless carriers, within six months of a valid request by a PSAP, to begin providing information that is more precise to PSAPs, specifically, the latitude and longitude of the caller. This has also been implemented by the Washington Parish Communications District.

Under Wireless FCC rules, carriers and other providers of text messaging applications in the United States are required to deliver emergency text messages to call centers that request them. This has been implemented by the Washington Parish Communications District.

NG911 is an Internet Protocol (IP)-based system that allows digital information (e.g., voice, photos, videos, text messages) to flow seamlessly from the public, through the 911 network, and on to emergency responders. The Washington Parish Communications District will begin the implementation of this system in 2019. The District's will require ten years to fully implement NG911. A dedicated account has been established to accumulate funds for this purpose.

10. SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 17, 2018, 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, 2017.

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, 2017

| | Budget | Amended Budget | Actual | Favorable (Unfavorable) Variance |
|--|------------------|-------------------|------------------|--|
| Revenues: | | | | |
| Wireline Income | \$ 250,128 | \$ 250,128 | \$ 244,336 | \$ (5,792) |
| Wireless Income | 473,376 | 509,410 | 496,877 | (12,533) |
| Miscellaneous Income | 608 | 608 | 18,260 | 17,652 |
| Sign Fund Income | 285 | 285 | 120 | (165) |
| Total Revenue | <u>724,397</u> | <u>760,431</u> | <u>759,593</u> | <u>(838)</u> |
| Expenses: | | | | |
| Service Maintenance-ATT | 43,080 | 43,080 | 23,118 | 19,962 |
| 911 Lines-ATT | 43,200 | 43,200 | 37,958 | 5,242 |
| Service-Other Equipment | 95,952 | 95,955 | 94,607 | 1,349 |
| Salaries | 90,000 | 90,000 | 97,411 | (7,411) |
| Telephone | 6,861 | 6,861 | 7,239 | (378) |
| Travel | 9,600 | 9,600 | 3,827 | 5,773 |
| Depreciation | - | - | 146,829 | (146,829) |
| Accounting | 6,996 | 6,996 | 6,500 | 496 |
| Office Supplies | 6,000 | 6,000 | 6,906 | (906) |
| Insurance | 39,792 | 39,792 | 33,719 | 6,073 |
| Health Benefit | 24,552 | 24,552 | 25,097 | (545) |
| Payroll Taxes | 7,560 | 7,560 | 7,204 | 356 |
| Service & Maintenance Contracts | 37,828 | 37,828 | 26,477 | 11,351 |
| Legal Fees | 2,400 | 2,400 | 2,400 | - |
| Repairs and Maintenance | 31,596 | 31,596 | 24,429 | 7,167 |
| Training | 9,000 | 9,000 | 5,174 | 3,826 |
| Utilities | 30,000 | 30,000 | 37,077 | (7,077) |
| Automobile Expense | 6,000 | 6,000 | 5,147 | 853 |
| Dues & Subscriptions | 614 | 614 | 680 | (66) |
| Bank Charges | 83 | 83 | - | 83 |
| Street Signs | 1,200 | 1,200 | 689 | 511 |
| Professional Fees | 1,500 | 1,500 | 163 | 1,337 |
| Miscellaneous | - | - | - | - |
| Total Expenses | <u>493,814</u> | <u>493,817</u> | <u>592,650</u> | <u>(98,832)</u> |
| Operating income | 230,583 | 266,614 | 166,943 | (99,670) |
| Non-operating Revenues & Expenses | | | | |
| Gain on Sale of Asset | - | - | 2,350 | 2,350 |
| Interest Income | 3,480 | 3,480 | 1,106 | (2,374) |
| Interest Expense | (16,500) | (16,500) | (12,367) | 4,133 |
| Total non-operating revenues | <u>(13,020)</u> | <u>(13,020)</u> | <u>(8,911)</u> | <u>4,109</u> |
| Change in Net Position | 217,563 | 253,594 | 158,033 | (95,561) |
| Net Position, Beginning of Year | <u>3,227,390</u> | <u>3,227,390</u> | <u>3,227,390</u> | <u>-</u> |
| Net Position, End of Year | <u>3,444,953</u> | <u>3,480,984</u> | <u>3,385,423</u> | <u>(95,561)</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, 2017

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 | 12/31/2020 |
| Mr. Mike Stogner, Vice-Chairman 11389 Dutch Stogner Bogalusa, La.70427 | 12/31/2020 |
| 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 | 12/31/2020 |
| Mr. Willie Cook Byrd 13033 S. Choctaw Bogalusa, La.70427 | 12/31/2018 |

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, 2017

COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

Agency Head: Ms. Joana Thomas, Director

| | |
|-----------------------------------|---------------|
| Compensation | 42,528 |
| Payroll Taxes | 3,253 |
| Health Insurance | 9,884 |
| Dues | 257 |
| Reimbursements for Office Expense | 491 |
| | <u>56,413</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, 2017, 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 June 17, 2018.

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

June 17, 2018

Washington Parish Communications District
Schedule of Current Year Audit Findings
For the Year Ended December 31, 2017

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

**INDEPENDENT ACCOUNTANT'S
REPORT ON APPLYING
AGREED-UPON PROCEDURES**

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

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Member
LCPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 17, 2018

To the Board of Commissioners
Washington Parish Communications District
Washington Parish Government
Franklinton, Louisiana 70438
And Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Washington Parish Communications District (the District or the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

The District has written policies and procedures regarding budgeting.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The District has policies on how purchases are initiated. The District does not use purchase requisitions or purchase orders. They do not address how vendors are added to the vendor list, controls to ensure compliance with the public bid law, or documentation required to be maintained for all bids and price quotes..

- c) **Disbursements**, including processing, reviewing, and approving

The District has no written policies and procedures regarding disbursements.

- d) **Receipts**, including receiving, recording, and preparing deposits

The District has no written policies and procedures regarding receipts.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The District has not written policies and procedures regarding payroll.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The District does not have written policies and procedures addressing contracts.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

There District does not use credit cards, debit cards, fuel cards, or P-cards.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

There District does not have written policies regarding travel and expense reimbursement.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

There District does not have written policies and procedures regarding ethics.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The District does not have written policies and procedures regarding debt service.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The District holds board meetings once a month.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The District's board minutes referenced monthly budget to actual comparisons. The District's funds did not show a fund balance deficit for any of the funds.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The District's minutes referenced non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

A listing of client bank accounts and management's representation the listing is complete were obtained.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Bank statements and reconciliations for all months in the fiscal period were obtained for selected account. Management's review was documented on the reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Management has documentation and has reviewed items that have been outstanding for more than 6 months at the end of the fiscal year.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

A listing of cash collection locations and management's representation that the listing is complete were obtained.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The District has two clerks that handles cash collections. In the cash collection location selected, the person responsible for collecting cash is not responsible for depositing cash in the bank, recording transactions, or reconciling the bank account. The District has one cash drawer that is not shared. The person responsible for cash is not bonded.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is a formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections. However, it is not in writing.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The highest (dollar) week of cash collections for the one collection location was obtained along with collection documentation, deposit slips, and bank statements. All collections were deposited by the next business day.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

All collections were completely supported by documentation for the location tested.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

The District does not have written policies or procedures that documents a process to determine completeness of all collections for each revenue source. The District does have a formal process whereby the Director and Treasurer meet before the closing of each month to review the completeness of all collections and the completeness of each revenue source.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

The general ledger was obtained and sorted and filtered for disbursements. Management's representation that the population is complete were obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The District does not utilize a requisition/purchase order system.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The District does not utilize a requisition/purchase order system.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

The District does not utilize a requisition/purchase order system. All invoices tested had a receipt or invoice to support the purchase.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The District does not have written documentation that prohibits the person responsible for processing payments from adding vendors to the purchasing/disbursement system. The manager can process payments and add vendors to the District's accounting system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The District does not have written documentation that prohibits the person with signatory authority or the person that makes the final authorization for disbursements from initiating or recording purchases. The Director processes the payments and two board members (normally the chairman and treasurer) sign the disbursements.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry and observations of management indicated that unused check stock is maintained in a locked location.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The District does not use signature stamps or a signature machine. When disbursements are signed, they are mailed the same business day by the Director.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The District does not use credit cards, debit cards, fuel cards, or P-cards.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

The District does not use credit cards, debit cards, fuel cards, or P-cards.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

The District does not use credit cards, debit cards, fuel cards, or P-cards.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

The District does not use credit cards, debit cards, fuel cards, or P-cards.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

The District does not use credit cards, debit cards, fuel cards, or P-cards.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

The District does not use credit cards, debit cards, fuel cards, or P-cards.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

The District does not use credit cards, debit cards, fuel cards, or P-cards.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

The District does not use credit cards, debit cards, fuel cards, or P-cards.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature

of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

The District does not use credit cards, debit cards, fuel cards, or P-cards.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

The general ledger was sorted and filtered for travel reimbursements. Management's representation that the general ledger is complete were obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The District does not have written policies related to travel and expense reimbursements.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

The reimbursements tested showed mileage rates did not exceed GSA rates for 2017.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Itemized receipts were attached that showed exactly what was purchased.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

All reimbursements had a specific public purpose.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

There were no exceptions noted as a result of applying this procedure.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond

conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

There were no exceptions noted as a result of applying this procedure.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no exceptions noted as a result of applying this procedure.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

The general ledger was obtained and sorted and filtered for contract payments. Management's representation that the general ledger is complete were obtained.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

The District had written contracts that supported the service arrangements and payments..

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

There were no exceptions noted as a result of applying this procedure.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

There were no exceptions noted as a result of applying this procedure.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No contracts were amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

There were no exceptions noted as a result of applying this procedure.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

There were no exceptions to this procedure.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

A listing of employees with their related salaries and management's representation that the listing is complete were obtained. The District had three employees.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

There were no exceptions noted as a result of applying this procedure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no exceptions noted as a result of applying this procedure.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

There were no exceptions to this procedure.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

There were no exceptions to this procedure.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

There were no exceptions to this procedure.

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination

payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

There were no employees terminated.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

There were no exceptions noted as a result of applying this procedure.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

The District did not have documentation showing the ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

The District had no debt issued during the fiscal period..

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

There were no exceptions to this procedure.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The District has no tax millages relating to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The District does have the required notices posted on its premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were noted as a result of applying this procedure.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Minda Rayburn

Franklinton, LA

June 17, 2018