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12/31/05

**MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA**

**FINANCIAL REPORT  
(Reviewed)**

**AND**

**REPORT ON APPLYING AGREED-UPON PROCEDURES**

**December 31, 2005**

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

Release Date 7/5/06

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# HILL, INZINA & COMPANY

## ACCOUNTANT'S REVIEW REPORT

Board of Commissioners  
Morehouse Parish Communications District  
Bastrop, Louisiana

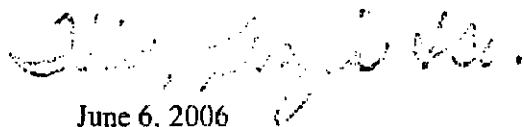
We have reviewed the accompanying financial statements of the governmental activities and each major fund of Morehouse Parish Communications District (a component unit of Morehouse Parish) (the "District"), as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the District.

A review consists principally of inquiries of the District's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated June 6, 2006 on the results of our agreed-upon procedures.



June 6, 2006

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REQUIRED SUPPLEMENTARY INFORMATION (Part 1 of 2)

## MOREHOUSE PARISH COMMUNICATIONS DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the Year Ended December 31, 2005

As management of Morehouse Parish Communications District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2005. Please read it in conjunction with the District's basic financial statements. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the District's finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the District based on information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the readers in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan (the approved budget), and identify individual issues or concerns.

As with other sections of this financial report, the information contained within this discussion and analysis of management should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and supplementary information that are provided in addition to this discussion and analysis of management.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the following components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to financial statements.

In addition to the basic financial statements and accompanying notes, the District also includes in subsequent sections of this report additional information to supplement the basic financial statements.

## 1. Government-wide financial statements

Government-wide financial statements are designed by the Governmental Accounting Standards Board (GASB) Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time with a concise "entity-wide" statement of net assets and statement of activities, seeking to give the users of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or weakening. Evaluation of the overall economic health of the District would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of activities presents information detailing how the District's net assets changed. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees).

The government-wide financial statements report governmental activities of the District that are principally supported by fees and services. Governmental activities include public safety.

## 2. Fund financial statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's only fund which is considered a major fund.

The District has only one fund type. The governmental fund is reported in the fund financial statements and encompasses essentially the same functions reported as governmental activities in the government-wide financial statements.

A reconciliation from both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance to the government-wide statements is provided to assist in understanding the differences between these two perspectives.

### 3. Notes to financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

#### Government-Wide Financial Analysis

The District's capital assets costing \$49,802 were fully depreciated as of December 31, 2005.

The following provides a summary of the net assets of the District's governmental activities:

	Year Ended December 31,	
	<u>2005</u>	<u>2004</u>
Other assets	\$ <u>636,872</u>	\$ <u>542,164</u>
Other liabilities	\$ 3,286	\$ 4,144
Net assets - unrestricted	<u>633,586</u>	<u>538,020</u>
Total net assets	\$ <u>636,872</u>	\$ <u>542,164</u>

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The District will use the unrestricted net assets to meet the ongoing obligations to users of its services and creditors.

#### Governmental Activities

The following provides a summary of the District's changes in net assets:

	Year Ended December 31,	
	<u>2005</u>	<u>2004</u>
Program revenues	\$ 250,636	\$ 237,973
General revenues	2,416	736
Expenses (public safety)	<u>( 157,485)</u>	<u>( 137,651)</u>
Changes in net assets	\$ <u>95,567</u>	\$ <u>101,058</u>

Program revenues consist of charges for services, derive directly from the program itself, and fund all of the governmental activities. As a whole, they reduce the cost of the function to be financed from the District's general revenues. General revenues consist of interest earnings received to pay for governmental activities, if any, whose cost is not reduced by program revenues.

#### Budgetary Highlights

The District adopts an annual appropriated budget for its General Fund. The General Fund budget complied with financial policies approved by the Board of Commissioners and maintained core District services.

The significant favorable budget variances in the General Fund were from additional revenues being received and the appropriations for telephone and capital outlay expenditures not being utilized.

#### Capital Assets

As discussed, the District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2005 was \$0. There was no capital asset activity during the current or prior fiscal year.

#### Economic Factors and Next Year's Budget

The District anticipates that revenues will remain fairly constant for 2006 while substantial amounts will be expended for capital assets.



BASIC FINANCIAL STATEMENTS

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES  
December 31, 2005

ASSETS

Cash	\$	280,667
Certificates of deposit		325,005
User fees receivable		<u>31,200</u>
Total assets	\$	<u>636,872</u>

LIABILITIES

Accounts payable	\$	3,087
Accrued expenses		<u>199</u>
Total liabilities	\$	<u>3,286</u>

NET ASSETS

Unrestricted	\$	<u>633,586</u>
Total liabilities and net assets	\$	<u>636,872</u>

See accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2005

Expenses:

Current:

Public safety:

Commissioners' fees	\$	1,105
Contractual services		24,000
Dispatchers' supplemental pay		9,584
Legal and accounting		2,576
Legal publishing		450
Maintenance and use		99,393
Materials and supplies		39
Office and postage		1,954
Repairs and maintenance		3,198
Salaries		5,198
Storage		480
Taxes - payroll		398
Telephone		<u>9,110</u>
Total expenses	\$	<u>157,485</u>

Program revenues:

Public safety:

Charges for services		<u>250,636</u>
Net revenue	\$	<u>93,151</u>

General revenues:

Interest		<u>2,416</u>
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Change in net assets	\$	95,567
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Net assets - beginning		<u>538,019</u>
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Net assets - ending	\$	<u><u>633,586</u></u>
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See accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUND - GENERAL FUND  
December 31, 2005

ASSETS

Cash	\$	280,667
Certificates of deposit		325,005
User fees receivable		<u>31,200</u>
Total assets	\$	<u>636,872</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$	3,087
Accrued expenses		<u>199</u>
Total liabilities	\$	3,286
Fund balance - unreserved and undesignated		<u>633,586</u>
Total liabilities and net assets	\$	<u>636,872</u>

See accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND - GENERAL FUND  
For the Year Ended December 31, 2005

Revenues:		
Fees and services	\$	250,636
Interest		<u>2,416</u>
Total revenues	\$	<u>253,052</u>
Expenditures:		
Current:		
Public safety:		
Commissioners' fees	\$	1,105
Contractual services		24,000
Dispatchers' supplemental pay		9,584
Legal and accounting		2,576
Legal publishing		450
Maintenance and use		99,393
Material and supplies		39
Office and postage		1,954
Repairs and maintenance		3,198
Salaries		5,198
Storage		480
Taxes - payroll		398
Telephone		<u>9,110</u>
Total expenditures	\$	<u>157,485</u>
Net change in fund balance	\$	95,567
Fund balance - beginning		<u>538,019</u>
Fund balance - ending	\$	<u>633,586</u>

See accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET  
TO GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
December 31, 2005

Total fund balance - governmental fund balance sheet	<u>\$ 633,586</u>
Total net assets of governmental activities - government-wide statement of net assets	<u>\$ 633,586</u>

See accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
December 31, 2005

Net change in fund balance - governmental fund - general fund	<u>\$ 95,567</u>
Change in net assets of governmental activities - government-wide statement of activities	<u>\$ 95,567</u>

See accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2005

Note 1. Organization and Summary of Significant Accounting Policies

Morehouse Parish Communications District (the "District") is a component unit of Morehouse Parish. It was created by Ordinance No. 1151 adopted by the Police Jury of Morehouse Parish on November 9, 1987 in accordance with Louisiana Revised Statute 31:9101. The District is governed by a board of seven commissioners who are qualified voters and residents of the District and are appointed by Morehouse Parish Police Jury. The commissioners serve terms of four years, which expire on a rotating basis, and are compensated from \$35 to \$50 for each meeting attended with one commissioner electing not to be compensated.

The District was created for the purpose of owning and operating facilities to establish and operate a uniform emergency number to simplify the notification of public service personnel in the case of an emergency.

The District employs one part-time employee.

The District is considered a component unit of Morehouse Parish Police Jury, the financial reporting entity, as the commissioners are appointed by Morehouse Parish Police Jury and the District provides emergency service to all residents within Morehouse Parish.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on Morehouse Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The more significant of the District's accounting policies are described below:

Government-Wide Financial Statements:

The government-wide financial statements include the statement of assets and the statement of activities. These statements report financial information for the District as a whole as governmental activities, generally supported by program revenues.



## NOTES TO FINANCIAL STATEMENTS

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services to users of the District's service. Other revenue sources not properly included with the program revenues are reported instead as general revenues.

### Fund Financial Statements:

Fund financial statements are provided for the governmental fund.

### Basis of Accounting, Measurement Focus, and Financial Statement Presentation:

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual are user fees. In general, other revenues are recognized when cash is received.

### Fund Type and Major Fund:

The District reports the General Fund as a major governmental fund. The General Fund is the general operating fund of the District and accounts for all financial resources.

## NOTES TO FINANCIAL STATEMENTS

### Budgets and Budgetary Accounting:

The Board of Commissioners adopted the annual budget for the General Fund on December 20, 2005. The annual budget was prepared in accordance with the modified accrual basis of accounting utilized by the General Fund. The Treasurer is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures resulting from revenues exceeding amounts estimated must be approved by the Board of Commissioners. The budget was amended only one time on December 29, 2005 and all annual appropriations lapse at fiscal year end.

### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Cash and Certificates of Deposit:

Cash includes amounts in demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

State law allows the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government back securities.

If the original maturities of time deposits exceed 90 days, they are classified as certificates of deposit. As of December 31, 2005, the District's investments consisted of non-negotiable certificates of deposit.

### Receivables:

Receivables include user fees only.

## NOTES TO FINANCIAL STATEMENTS

### Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. The District's management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

### Capital Assets and Depreciation:

Capital assets, which include property, plant, and equipment, with useful lives of more than one year are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The District maintains a threshold level of \$2,500 or more for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

As surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over useful lives of five years.

### Equity Classifications:

In the government-wide financial statements, equity is classified as net assets and classified as unrestricted. In the fund financial statements, governmental fund balance is classified as unreserved and undesignated. All equity is available for appropriation, not legally restricted for specified purposes, and not invested in capital assets.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Cash and Deposits

The following is a summary of cash and deposits as of December 31, 2005:

Non-interest bearing demand deposits	\$ 280,667
Certificates of deposit	<u>325,005</u>
	<u>\$ 605,672</u>

These deposits are stated at cost, which approximates market. 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 on deposit with the fiscal agent. These securities are held jointly in the name of the pledging fiscal agent bank and Morehouse Parish Police Jury in a holding or custodial bank that is mutually acceptable to both parties.

As of December 31, 2005, the District had \$605,672 in deposits (collected bank balances). These deposits were secured from risk by \$300,000 of federal deposit insurance and \$305,672 of pledged securities held by the custodial bank in the name of the fiscal agent bank or Morehouse Parish Police Jury and pledged in the name of Morehouse Parish Police Jury (GASB Category 1).

There were no repurchase or reverse repurchase agreements as of December 31, 2005.

### Note 3. Capital Assets

Capital assets of \$49,802 were fully depreciated as of December 31, 2004 and the District had no capital asset activity during the year ended December 31, 2005.

### Note 4. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; inquiries to employees; and natural disasters. The District only purchases maintenance contracts on its equipment as the equipment is housed in facilities not owned by the District. No commercial insurance is carried by the District or on its behalf by another entity.

REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUND - GENERAL FUND  
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Favorable
	<u>Original</u>	<u>Final</u>		(Unfavorable)
<b>Revenues:</b>				
Fees and services	\$ 236,941	\$ 236,941	\$ 250,636	\$ 13,695
Interest	-	-	2,416	2,416
Total revenues	<u>\$ 236,941</u>	<u>\$ 236,941</u>	<u>\$ 253,052</u>	<u>\$ 16,111</u>
<b>Expenditures:</b>				
<b>Public safety:</b>				
Commissioners' fees	\$ 1,500	\$ 1,500	\$ 1,105	\$ 395
Contractual services	24,000	24,000	24,000	-
Dispatchers' supplemental pay	10,200	10,200	9,584	616
Legal and accounting	3,750	3,750	2,576	1,174
Legal publishing	-	-	450	( 450)
Maintenance and use	-	-	99,393	( 99,393)
Materials and supplies	30,000	8,500	39	8,461
Office and postage	-	-	1,954	( 1,954)
Repairs and maintenance	-	-	3,198	( 3,198)
Salaries	4,800	4,800	5,198	( 398)
Storage	500	500	480	20
Taxes - payroll	750	750	398	352
Telephone	120,000	70,000	9,110	60,890
Training	10,000	1,000	-	1,000
Travel and meetings	1,000	1,000	-	1,000
Capital outlay	<u>250,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>\$ 456,500</u>	<u>\$ 176,000</u>	<u>\$ 157,485</u>	<u>\$ 18,515</u>
Net change in fund balance	\$( 219,559)	\$ 60,941	\$ 95,567	\$ 34,626
Fund balance - beginning	<u>219,559</u>	<u>-</u>	<u>538,019</u>	<u>538,019</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 60,941</u>	<u>\$ 633,586</u>	<u>\$ 572,645</u>

See accountant's review report.

**OTHER SUPPLEMENTARY INFORMATION**

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

SCHEDULE OF COMPENSATION PAID COMMISSIONERS  
Year Ended December 31, 2005

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the commissioners is included in the public safety expenditures of the General Fund.

<u>Name and Title</u>	<u>Compensation</u>
Steve Fuller, Chairman	\$ -
James Bonsall, Treasurer	300
Paul James	175
Leland Rawls	245
David Thomas	175
Henry Reese	<u>210</u>
Total compensation	<u>\$ 1,105</u>

See accountant's review report.



# HILL, INZINA & COMPANY

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

Board of Commissioners  
Morehouse Parish Communications District  
Bastrop, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Morehouse Parish Communications District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2005, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we 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.

Our applied procedures, together with any findings, follow:

### *Public Bid Law*

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).
  - o Our review of expenditure totals and the detail general ledger revealed only one individual expenditure exceeding \$20,000 and no individual expenditure for public works exceeding \$100,000. The expenditure exceeding \$20,000 was not for materials and supplies and therefore not subject to the provisions of the public bid law.

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101- 1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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3. Obtain from management a listing of all employees paid during the period under examination.
4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
  - Management provided the required information. The employee included on the employee list provided by management in agreed-upon procedure (3) did not appear on the list provided by management in agreed-upon procedure (2).

#### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.
6. Trace the budget adoption and amendments to the minute book.
7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.
  - Management provided a copy of the original budget. We traced the adoption of the original budget to the minutes of a meeting held on December 20, 2004, which indicated that the budget was adopted by the Commissioners of the District by a unanimous vote. Only one amendment was made to the budget on December 29, 2005.
  - We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

#### *Accounting and Reporting*

8. Randomly select six disbursements made during the period under examination and (a) trace payments to supporting documentation as to proper amount and payee; (b) determine if payments were properly coded to the correct fund and general ledger account; and (c) determine whether payments received approval from proper authorities.
  - We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amounts and made to the correct payees; were properly coded to the correct fund and general ledger accounts; and received approval from the Board of Commissioners.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).
  - The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's meeting location. We examined such documents and management has asserted that such were properly posted.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.
  - We scanned bank deposits and the detail general ledger for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### *Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.
  - A review of the minutes for the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated June 15, 2005, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

This report is intended solely for the use of management of Morehouse Parish Communications District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Hill, Dreyfus & Co.*

June 6, 2006

LOUISIANA ATTESTATION QUESTIONNAIRE

12-13-2005 Date

Hill, Inzina & Co.  
Certified Public Accountants  
P.O. Box 631  
Bastrop, LA 71221-0631

In connection with your review of our financial statements as of December 31, 2005 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 12-13-2005 (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes  No

### **Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes  No

We have had our financial statements audited, reviewed, or compiled in accordance with LSA-RS 24:513.

Yes  No

### **Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

### **Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60 - 1410.65.

Yes  No

### **Advances and Bonuses**

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

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Steve Fuller Chairman 12-13-05 Date  
James [unclear] Secy/Treas 12-14-05 Date