

**TENSAS PARISH 911
EMERGENCY COMMUNICATIONS DISTRICT
St. Joseph, Louisiana**

**General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2012
With Supplemental Information Schedules**

TENSAS PARISH 911
EMERGENCY COMMUNICATIONS DISTRICT
St. Joseph, Louisiana

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
TENSAS PARISH 911 EMERGENCY
COMMUNICATIONS DISTRICT
St. Joseph, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the Tensas Parish 911 Emergency Communications District, a component unit of the Tensas Parish Police Jury, as of December 31, 2012, and for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Tensas Parish 911 Emergency Communication District financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



West Monroe, Louisiana
March 4, 2013

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

TENSAS PARISH 911
EMERGENCY COMMUNICATIONS DISTRICT
St. Joseph, Louisiana
GENERAL FUND

Balance Sheet, December 31, 2012

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash and cash equivalents	\$60,427		\$60,427
Receivables - fees, charges and commissions	9,371		9,371
Office furnishings and equipment		\$474,772	474,772
TOTAL ASSETS	\$69,798	\$474,772	\$544,570
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$2,550		\$2,550
Fund Equity:			
Investment in general fixed assets		\$474,772	474,772
Fund balances - unassigned	67,248		67,248
TOTAL LIABILITIES AND FUND EQUITY	\$69,798	\$474,772	\$544,570

See accompanying notes and accountant's report.

TENSAS PARISH 911
EMERGENCY COMMUNICATIONS DISTRICT
St. Joseph, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 2012

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Cellular/Wireless fees	\$45,718	\$45,825	\$107
Other revenue - donations	6,000	6,000	
Use of money and property - interest earnings	111	111	
Total revenues	<u>51,829</u>	<u>51,936</u>	<u>107</u>
EXPENDITURES			
Current - public safety:			
Operating services - professional services	58,572	20,400	38,172
Other operating services	5,000	29,331	(24,331)
Materials and supplies		8,826	(8,826)
Debt service	7,608	7,608	
Total expenditures	<u>71,180</u>	<u>66,165</u>	<u>5,015</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(19,351)</u>	<u>(14,229)</u>	<u>5,122</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>60,400</u>	<u>81,477</u>	<u>21,077</u>
FUND BALANCE AT END OF YEAR	<u>\$41,049</u>	<u>\$67,248</u>	<u>\$26,199</u>

See accompanying notes and accountant's report.

**TENSAS PARISH 911
EMERGENCY COMMUNICATIONS DISTRICT
St. Joseph, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tensas Parish 911 Emergency Communications District was created by the Tensas Parish Police Jury, as authorized by Louisiana Revised Statute 33:9101, on May 23, 2000, for the purpose of providing a primary three-digit emergency number through which emergency services can be quickly and efficiently obtained. The district is governed by a seven member board appointed by the police jury. Board members serve without benefit of compensation.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Tensas Parish Police Jury is the financial reporting entity for Tensas Parish. The financial reporting entity consists of (a) the primary government (police jury), (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 (GASB) Statement No. 14 established criteria determining which component units should be considered part of the Tensas Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury 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 police jury.

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St. Joseph, Louisiana
Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
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 police jury created the district, appoints the commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the Tensas Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Tensas Parish financial reporting entity.

B. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require only the use of governmental funds (General Fund). Annual property assessments approved by voters of the district and

See accountant's report.

TENSAS PARISH 911
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Notes to the Financial Statements (Continued)

interest earnings on investments are accounted for in this fund. General operating expenditures are paid from the fund.

C. FIXED ASSETS

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported in the general fixed assets account group. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized. All general fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Fees, charges, and commissions for services are recognized in the month received by the telephone companies.

Based on the above criteria, fees, charges, and commissions for services have been treated as susceptible to accrual.

See accountant's report.

TENSAS PARISH 911
EMERGENCY COMMUNICATIONS DISTRICT
St. Joseph, Louisiana
Notes to the Financial Statements (Continued)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the board of commissioners and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners. The district does not use encumbrance accounting in its accounting system.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts.

F. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2012, the district has cash and cash equivalents (book balances) totaling \$60,427.

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. All deposits are fully secured by federal deposit insurance and pledged securities at December 31, 2012.

See accountant's report.

TENSAS PARISH 911
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 St. Joseph, Louisiana
 Notes to the Financial Statements (Continued)

2. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 2012:

Balance, January 1, 2012	\$474,772
Additions	NONE
Deletions	<u>NONE</u>
Balance at December 31, 2012	<u><u>\$474,772</u></u>

3. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2012:

	Series 2008 Revenue Bonds
Long-term debt payable at January 1, 2012	<u>\$89,889</u>
Additions	NONE
Reductions	<u>(3,975)</u>
Long-term debt payable at December 31, 2012	<u><u>\$85,914</u></u>

The Revenue Bonds, Series 2008, for \$100,000, were issued March 5, 2008, for the purpose of constructing a building. Annual installments range of \$7,608 are due through March 5, 2028, at an interest rate of 4.125 percent. Debt requirements are made from the General Fund.

The annual requirements to amortize all bonded debt outstanding at December 31, 2012 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$4,142	\$3,466	\$7,608
2014	4,316	3,292	7,608
2015	4,498	3,110	7,608
2016	4,687	2,921	7,608
2017	4,884	2,724	7,608
2018-2022	27,678	10,362	38,040

See accountant's report.

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 St. Joseph, Louisiana
 Notes to the Financial Statements (Continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-2027	\$34,006	\$4,034	\$38,040
2028	1,703	11	1,714
Total	<u>\$85,914</u>	<u>\$29,920</u>	<u>\$115,834</u>

4. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2012, nor is it aware of any unasserted claims.

5. IMPLEMENTATION OF WIRELESS E911 SERVICES

Louisiana R. S. 33:9109 states, in pertinent part, “In any district having a population of less than twenty thousand persons as of the most recent federal decennial census, proceeds of the service charge, less any collection charge which the wireless service supplier is authorized to retain, may be used for any lawful purpose of the district.” U. S. Census Bureau statistics indicate the latest decennial census of the District to be 6,618. Therefore, of the \$45,825 in revenues derived from service charges related to Wireless E911 Services, all of the proceeds have been used in accordance with the general operations of the District.

While the District has not yet implemented Wireless E911 services at this time, management plans to form cooperative endeavor agreements with neighboring districts to combine resources and provide the service within the District.

See accountant’s report.