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EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Financial Report

Year Ended December 31, 1995

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

Release Date 8-21-96

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DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITOR'S REPORT

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The President and Members of
the Board of Commissioners
Evangeline Parish Communications District
Ville Platte, Louisiana

We have audited the accompanying general purpose financial statements that do not include a statement of revenues, expenditures, and changes in fund balance - budget and actual, of the Evangeline Parish Communications District, a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 1995. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

The Commission did not prepare a statement of revenues, expenditures, and changes in fund balance - budget and actual for the year ended December 31, 1995. Presentation of such statements for governmental funds is required by generally accepted accounting principles.

In our opinion, except for the omission of the statement of revenues, expenditures, and changes in fund balance - budget and actual that results in an incomplete presentation as explained in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Evangeline Parish Communications District, as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 31, 1996 on our consideration of the Evangeline Parish Communications District's internal control structure and a report dated May 31, 1996 on the Evangeline Parish Communications District's compliance with laws and regulations.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Ville Platte, Louisiana
May 31, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

Evangeline Parish Communications District
Ville Platte, Louisiana

Combined Balance Sheet - All Governmental Fund Types and Account Group
December 31, 1995

	<u>Governmental Fund Type General</u>	<u>Account Group General Fixed Assets</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$144,049	\$ -	\$144,049
Revenue receivable	100,055	-	100,055
Fixed assets	<u>-</u>	<u>22,094</u>	<u>22,094</u>
Total assets	<u>\$244,104</u>	<u>\$22,094</u>	<u>\$266,198</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	<u>\$ 1,589</u>	<u>\$ -</u>	<u>\$ 1,589</u>
Fund equity and other credits:			
Investment in general fixed assets	-	22,094	22,094
Fund balance - unreserved, undesignated	<u>242,515</u>	<u>-</u>	<u>242,515</u>
Total fund equity and other credits	<u>242,515</u>	<u>22,094</u>	<u>264,609</u>
Total liabilities and fund equity	<u>\$244,104</u>	<u>\$22,094</u>	<u>\$266,198</u>

The accompanying notes are an integral part of this statement.

Evangeline Parish Communications District
 Ville Platte, Louisiana
 General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -
 Year Ended December 31, 1995

	<u>Actual</u>
Revenues:	
Ad valorem tax	\$ 83,381
Telephone surcharges	162,413
Miscellaneous	88
Interest on deposits	<u>4,050</u>
Total revenues	<u>249,932</u>
Expenditures:	
Current -	
Advertising	186
Auto expense	2,973
Consulting fees	23,200
Dues and subscriptions	110
Election expense	7,973
Insurance	1,627
Miscellaneous	48
Office	2,873
Postage	294
Supplies	1,650
Telephone	3,309
Salaries and related benefits	35,059
Capital outlay -	
Equipment	11,056
Automobiles	<u>11,038</u>
Total expenditures	<u>101,396</u>
Excess of revenues over expenditures	148,536
Fund balance, beginning of year	<u>93,979</u>
Fund balance, end of year	<u><u>\$242,515</u></u>

The accompanying notes are an integral part of this statement.

Evangeline Parish Communications District
Ville Platte, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Evangeline Parish Communications District (hereafter referred to as the "District") has been created by and in accordance with provisions of Louisiana Revised Statute Title 33, Chapter 31, Section 9101-9106 for the purpose of establishing an Enhanced Emergency 911 Service.

The Evangeline Parish Communications District is a component unit of the Evangeline Parish Policy Jury, the primary government. The Commissioners of the Communications District are appointed by the Evangeline Parish Police Jury. The component unit financial statements of Evangeline Parish Communications District only includes funds and activities that are within the general oversight responsibility of the District.

A. Basis of Presentation

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

B. Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the District and legislative branches (the President and Board of Commissioners). Control by or dependence on the District was determined on the basis of general oversight responsibility.

C. Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which are considered a separate accounting entity. The operations of the funds are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are accounted for in an individual fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

General Fund

The General Fund is used to account for all financial resources of the District. General operating expenditures are paid from this fund.

D. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District's records are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

F. Budgetary Accounting

A budget for the General Fund was not adopted in accordance with LSA-R.S. 39:1301, cited as the "Louisiana Local Government Budget Act."

G. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

(2) Interest-bearing deposits

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, 1995, the District had cash and interest-bearing deposits (book balance) totaling \$144,049.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balance) 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 bank. Deposit balances (bank balances) at December 31, 1995 of \$144,596 were secured in total by federal deposit insurance.

(3) Ad Valorem Taxes

Ad valorem taxes are collected and remitted to the District by the Evangeline Parish Sheriff's office. Billed taxes became delinquent on January 1 of the following year.

For the year ended December 31, 1995, taxes of 1.00 mills were levied on property with assessed valuations totaling \$88,756,855.

Total taxes levied in 1995 were \$88,757. Taxes receivable were \$83,381 at December 31, 1995.

(4) Board of Commissioners' Compensation

No per diem or other compensation was paid to commissioners of the Evangeline Parish Communications District for the year ended December 31, 1995.

(5) Beginning Fund Balance

The beginning fund balance of \$93,979 shown on the Statement of Revenues, Expenditures and Changes in Fund balance consists of ad valorem taxes assessed for the year 1994 which were collected in the year 1995 and telephone tax surcharges for the month of December 1994. A financial statement for the year 1994 will not be presented since there were no expenditures for that year and no other revenues.

(6) Pension Plan

The Evangeline Parish Communications District participates in the Parochial Employees Retirement System of Louisiana. The System provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana State Statutes. A publicly available financial report that includes financial

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

statements and required supplemental information may be obtained by writing to the Parochial Employee's Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898.

Plan members are required to contribute 9.5 percent of their annual covered salary and the District is required to contribute at the statutory rate of 8.0 percent of annual covered payroll. The District's contributions to the system for the year ended December 31, 1995 amounted to \$2,295, equal to the required contribution.

INTERNAL CONTROL AND COMPLIANCE

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Independent Auditor's Report on Internal
Control Structure Based on an Audit of Component
Unit Financial Statements Performed in Accordance
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The President and Members of
the Board of Commissioners
Evangeline Parish Communications District
Ville Platte, Louisiana

We have audited the component unit financial statements of the Evangeline Parish Communications District for the year ended December 31, 1995 and have issued our report thereon dated May 31, 1996. In our report, our opinion was qualified because the Evangeline Parish Communications District did not prepare a budget for the year ended December 31, 1995.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The Commissioners of the Evangeline Parish Communications District are responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by the commissioners are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide the commissioners with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with commissioner's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Evangeline Parish Communications District for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the

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design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statement and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees the District did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
May 31, 1996

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The President and Members of
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Evangeline Parish Communications District
Ville Platte, Louisiana

We have audited the component unit financial statements of the Evangeline Parish Communications District as of and for the year ended December 31, 1995, and have issued our report thereon dated May 31, 1996. In our report, our opinion was qualified because the Evangeline Parish Communications District did not prepare a budget for the year ended December 31, 1995.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Evangeline Parish Communications District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws and regulations. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of our tests disclosed the following instance of noncompliance.

Requirement to Adopt Budget

Finding:

The Evangeline Parish Communications District did not adopt a General Fund budget for the fiscal year end December 31, 1995 in accordance with state statute RS:39:1301-14.

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Recommendation:

The District should adopt a General Fund budget as required by state statute.

Response:

The District agreed to adopt an annual operating budget as required by state statute.

We considered this instance of noncompliance in forming our opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated May 31, 1996 on those financial statements.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
May 31, 1996

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The President and Members of
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Ville Platte, Louisiana

During our audit of the financial statement of the Evangeline Parish Communications District, as of and for the year ended December 31, 1995, we noted certain areas in which improvements in the accounting system and financial practices may be desirable. Therefore, we submit the following suggestions for your consideration:

- (1) The District should consider obtaining bond insurance on all employees in a position of trust.
- (2) In accordance with LSA-R.S. 39:1301-14, an annual budget for the general fund should be prepared, adopted, and amended as necessary in order to facilitate financial analyses and monitor operations.
- (3) A Form 1099 should be issued to any individuals for whom the District contracts services in excess of \$600 per year.
- (4) A fixed asset listing should be maintained and updated as needed. All fixed assets should be tagged appropriately and tag numbers should be recorded on the asset listing.

In conclusion, we would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our suggestions, please feel free to contact us.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
May 31, 1996

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